ST JAMES HOUSE PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 January 2021

CONTENTS

COMPANY INFORMATION ____ *3*

DIRECTORS AND ADVISORS ____ 3

About St James House PLC ____ 4

Financial Summary and Highlights ____ 5

STRATEGIC REPORT ____ *6*

Chairman's Statement ____ 6

Chief Executive Officer's Report ____ 8

Finance Director's Report ____ 11

Compliance with Companies Act 2006, Section 172(1) Statement ____ 14

GOVERNANCE ____ *16*

Risk Report ____ 16

Corporate Governance Statement ____ 19

The QCA's Ten Principles of Corporate Governance ____ 23

Directors' Report ____ 27

Directors' Remuneration Report ____ 28

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements ____ 32

Independent Auditor's Report to the Members of St James House PLC ____ *33*

FINANCIAL STATEMENTS ____ *39*

Consolidated Statement of Profit and Loss and Other Comprehensive Income ____ 39

Consolidated Balance Sheet ____ 41

Consolidated Statement of Changes in Equity ____ 42

Consolidated Cash Flow Statement ____ 43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ____ 44

COMPANY INFORMATION

DIRECTORS AND ADVISORS

DIRECTORS	R R Matthews (Non-Executive Director and Chairman) R A Shearer (Chief Executive Officer appointed 2 July 2021) K A Cox (Non-Executive Director) J P Cripps (Non-Executive Director appointed 20 April 2021) G Paton (Executive Director) D Pym (Finance Director appointed 30 September 2020) A Rudolf (Non-Executive Director)
COMPANY SECRETARY	A J A Flitcroft
REGISTERED NUMBER	04458947
REGISTERED OFFICE	Gainsborough House 59-60 Thames Street, Windsor, SL4 1TX
NOMINATED ADVISER AND BROKER	Allenby Capital Limited 5 St Helens Place, London, EC3A 6AB
AUDITOR	MHA MacIntyre Hudson Pennant House, 1-2 Napier Court, Napier Road, Reading, RG1 8BW
REGISTRAR	SLC Registrars Limited Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey, KT13 0TS
PRINCIPAL BANKER	Lloyds Bank plc 134 High Street, Stourbridge, West Midlands, DY8 1DS

About St James House PLC

The principal activities of St James House PLC ('SJH' or the 'Company' or the 'Group') are the provision of payment processing products and services, the administration of lotteries and, since September 2020, a claims management business.

Each of our divisions have created their capabilities and services by bringing together the skills of our people, our technology, our licences and regulatory approvals, our data and insights, our client relationships and other partnerships.

To 31 January 2021, the Group comprised:

St. Daniel House ("SDH[1]") is approved as an Electronic Money Directive Agent, permitted to provide payment services on behalf of an electronic money institution ("EMD Agent") by the Financial Conduct Authority. SDH provides a full range of card and payment services designed to meet the needs of individuals and businesses, including Prepaid card programs.

Prize Provision Services Limited ("PPS") is licensed by the Gambling Commission as an External Lottery Manager ("ELM") to provide administration services to charities, societies, and sports clubs in Great Britain. It administers all aspects required to run a lottery including draws, prizes, player accounts, financial and data management and related regulatory and administrative tasks. PPS provides services to over 770 societies ranging from local sports teams at all levels to large national membership organisations.

Soccerdome provides high quality pitches and associated facilities for grassroots level football in the city of Nottingham.

St Frances House ("SFH") is a legal services provider which carries out regulated activity involving the acquisitions and management of legal claims in a highly regulated environment. Technology and process driven, this division is managed by an experienced group of barristers and other legal professionals who are regulated and authorised by the Bar Standards Council. It provides a discreet service to individuals dealing with personal injury, bankruptcy and other civil matters.

Our strategy focuses on the following areas, helping us to remain agile in a rapidly evolving, competitive marketplace while seeking to deliver value and sustainable business for our stakeholders:

- **Market opportunity**: to provide a range of products and value-added services across a number of core currencies with a broad geographic reach so that our clients can make or accept payments by almost every method in every country and currency that we serve
- **Inorganic growth**: to remain acquisitive to identify possible merger or acquisition targets which grow the range of services, currencies, and countries which we can serve or to improve the agility of the way in which we provide those services or product
- **People**: to attract and retain the best talent we can into our teams to take our business forward in terms of the markets we operate in and to provide our clients with greater reach and to improve their operations, and to deploy technology to manage and control risks within our Group
- **Technology partnerships**: to take advantage of the rapid pace of change of available technology through core partnerships, helping us to stay ahead of our clients' needs, to have reach into new client markets, and to do what we do with greater cost or process efficiencies
- **Regulation**: to fully embrace the principles of the regulation that applies to our sector and jurisdictions, using continuously improving standards as an opportunity to evolve our practices, to manage risks through effective control processes, and to challenge ourselves to grow our services into areas that require great regulation to help set ourselves apart from current or future competition.

[1] References in this report to St. Daniel House also include the business streams previously reported in other Group companies

Financial Summary and Highlights

Through each of our divisions, we are committed to helping our clients to:

- Facilitate their operational requirements
- Improve their revenues and/or sales
- Reduce their costs to operate
- Reduce their risks

The Group generates the majority of its revenue from:

- Fees charged for the financial transactions that we process, which are typically a small percentage of each transaction
- Other usage or subscription fees for services such as treasury and foreign exchange services, compliance and anti-fraud services and use of any other facilities or services that we offer

Financial Key Performance Indicators
For the year to 31 January 2021 the Group's performance was as follows:

Key Performance Indicators	**2021 £'000**	2020 * £'000
Revenue	**1,104**	873
Gross profit	**245**	326
Normalised EBITDA loss	**(1,460)**	(1,480)

*Adjusted from previously reported to reflect the discontinued operation

Normalised EBITDA loss consists of:	**2021 £'000**	2020 £'000
Operating loss	**(2,000)**	(3,670)
Less Depreciation	**5**	3
Less Amortisation	**8**	344
Exceptional items	**474**	1,843
IFRIC 19 charge	**53**	-
TOTAL	**(1,460)**	(1,480)

Highlights:

- Group revenues increased by 11.6% and by 6% overall[2] over the last two years
- Gross Profit reduced by 24.8% overall[1], mainly due to an increased cost of sales connected with the implementation of Currency Cloud, a new payment platform for St Daniel House payment processing division
- Improved systems resilience delivered by the implementation of Currency Cloud, a leading provider of multi-currency payment infrastructure
- The Group focuses increasingly on higher margin business and continues to move away from legacy activities
- Steady contribution from Prize Provision Services' revenues from administration of lotteries
- Raised additional funding for working capital of £415,000 through convertible loan notes and £50,000 through a Coronavirus Bounce Back Loan from the Group's core banking provider

[2] Including discontinued operations

STRATEGIC REPORT

Chairman's Statement

My statement this year focusses on three key themes: the Group's achievements and performance in the financial year to 31 January 2021; how the Group has successfully dealt with the challenges posed by the Covid-19 pandemic and the Group's current trading position and outlook for the future.

The Group has four distinct business divisions, the majority of revenue generated by SDH.

The Group performed better in the Financial Year 2021 than in 2020:

- Group revenues increased by 11.6% and margins reduced by 24.8% across all combined divisions, including discontinued operations
- SDH increasingly focuses on higher margin business and has moved away from legacy activities
- Changes in our technology platform providers to improve the level of services and operating costs
- The divestment of the non-core business, Market Access Ops Limited
- We raised additional funding for working capital of £465,000 for the current year under review and a further £750,000 since the start of the current year
- The Group continues to increase its resilience through investment in technology

Covid-19 response

The global pandemic caused global volatility and uncertainty. People's travel and work patterns changed overnight and it remains to be seen to what extent they will revert in due course. The Group's technology and systems meant that we were very quickly able to facilitate our staff to work from home and carry out their roles very much as normal; certain staff were furloughed in whole or in part and we were able to reduce the need for redundancies.

Consumer-related travel ceased immediately, which influenced the demand for currency cards. Richard Shearer our new Chief Executive Officer ("CEO") explains this further in his report.

Management of costs was key, given the uncertainty; while revenues have increased at a respectable rate, margins have decreased.

Current Trading, Outlook and Transformation

The board of directors ("the Board") is pleased at the end of year results for 2021, which remained a year of transition. Since then, the Group has embarked on exciting and promising developments as part of a wholesale transformation program and the Board is optimistic about the Group's future as follows:

In March 2021, we announced a strategic financing and commercial agreement with Tintra Acquisitions Limited ("TA" or "Tintra"). This substantial investment by Tintra has progressed well with the aim that the Group will benefit from identified gaps in markets in which the Group operates today or wishes to expand into going forward. Since then, a significant amount of funding as working capital has been injected into the business, we have appointed new key directors to the Board, including a new Chief Executive Officer as below, we have written a strategic business plan for the Group which identifies the core divisions which we are now working to grow at pace, and the non-core divisions which we divest or cease to operate, we have completed a skills and people assessment to ensure we have the right people in the right roles with appropriate contracts of employment, and we have identified significant cost saving opportunities which are being deployed. We have a clear vision of the markets we wish to serve and the business model that has been developed to address those markets.

Appointment of Chief Executive Officer

On 2 July 2021, the Board was pleased to announce the appointment of Richard Shearer as the Group's Chief Executive Officer and as an Executive Director of the Company ("CEO").

Richard is the founder of Tintra Holdings Ltd ("**TH**"), an organisation whose primary activities are as a hybrid Family Office and investment management firm based in Dubai with subsidiaries in a number of jurisdictions which focuses on providing solutions to emerging market clients.

Richard's role as the Group’s CEO will be a full-time commitment and he has been putting in place succession arrangements for his executive activities at TH over the last quarter, where he will remain as Chairman.

Graeme Paton, the Group’s previous CEO, remains as an Executive Director, with a specific focus on developing the Group's activities in merchant acquisition, as well as assisting in the orderly handover of some of his existing responsibilities to Mr Shearer.

I welcome Richard Shearer to the Board. I also extend a welcome to John Cripps who joined the Board as a Non-Executive Director on 20 April 2021 and congratulate Dan Pym on his appointment during the year as Finance Director. In particular, I thank Graeme Paton for the considerable contribution he made to the Group during his tenure as Chief Executive Officer. I am pleased that he will remain on the Board as Executive Director, and I am looking forward to working with Richard, John, Graeme and the entire Board and Management team over the forthcoming years.

Further important commitments have been made by subsidiaries of Tintra Holdings Ltd (“Tintra”), which are transformational for the Group and are described in the Chief Executive Officer’s Report below.

The Directors and I would like to express our thanks to the executive and management team and all the staff who have worked tirelessly to position the Group well during this year of Covid-19 challenges.

Finally, I commend and thank Jacques Leuba for his contribution to the Group while he served on the Board and wish him well in his future ventures.

Roger Matthews
Chairman
26 July 2021

Chief Executive Officer's Report

Graeme Paton – CEO until 2 July 2021

I am pleased to report that strong progress has been made in the financial year to 31 January 2021 from a low base the previous year. During that year a number of measures were implemented to support the Company's balance sheet.

Our ambitious upgrades with regards to our technical infrastructure have all been met ensuring SDH has kept pace during a year of unprecedented evolution within the payments industry. SDH now have a suite of acquiring and payment products capable of scale as we embark on a period of growth within both traditional and emerging markets.

Despite the challenges that arose due to the Covid-19 pandemic, our business quickly mobilised towards remote working and our diverse range of products protected us from overexposure to any single revenue streams. We used the UK Government support scheme where it was right to do so and that helped us to maintain our revenues in a steady state due to the hard work of our teams. I would like to thank them for their extraordinary efforts in what has been a difficult year for many. Further detail on Covid-19 is set out in the Risk Report below.

Since the end of the reporting period we have welcomed Tintra's investment in the Group and our embarkation on a journey that sets out to fully transform the Group's strategy and activities, its operational model and its future results. These changes are well under way and I'm very happy to be handing the responsibility of CEO over to Richard Shearer, I wish him well and continue to offer him my support.

Richard Shearer – CEO from 2 July 2021

Having recently been appointed as CEO, my commentary on the year to 31 January 2021 is as an observer only. However, understanding the Company's past is imperative to determining the best steps to get it to where it needs to be. As such my team and I have undertaken over the last 3-4 months a very deep structural analysis that has led to a 90 Day Change Management program that completed this month. As a result and as announced on 13 July 2021, this resulted in the disposal of the loss-making legal business (SFH) and cost savings through rationalisation of staffing overhead and further savings through internal efficiencies that will become evident over the second half of 2021.

The Group's new strategy has been announced to the market and we are committed to driving this new core-focused business forward to build a fintech company that stands up against the best in the marketplace.

My responsibility is to implement the Group's new medium- and long-term strategy that is defined, focused, deliverable and scalable based around a client-centric, cost-efficient model that operates with urgency of execution to set ourselves apart in a competitive marketplace. The key elements of that are:

Strategic Business Plan – this has been developed and approved by Board and will be outlined to shareholders ahead of the Company's annual general meeting on 30 July 2021. it encompasses each of the elements detailed below. The core business proposition focuses on financial services and has considered our proposition in the context of: market and product, competitive landscape, relationships with high profile and high net worth individuals across Europe, Africa and Asia, our current regulatory licenses and the opportunity to extend these further; the opportunity for strategic acquisitions, and a strategy for both organic and inorganic business growth.

Appointment of Key Directors – as we execute on our plans for the Group, it is imperative that we have the right expertise in every role at all levels and as such, we have made key hires in our senior leadership team and at Board as Roger has explained above.

Investment of Funding as Working Capital – in order to meet the growth plans and vision that we have set out, we need to have sufficient working capital. Additional working capital (through a loan facility) has been provided, £250k in March 2021 and a further £500k on 21 July 2021 during the current financial year; the Board believes its working capital levels for the current financial year are now adequate, as it turns its focus to progressing the strategic business plan for the Group.

Divestment of Non-Core assets – having identified which of the Group's activities will be core in our go-forward business plan, we have started the process of divestment or cessation of non-core activities to allow us to focus our entire attention on our strategic activities and divisions. On 13 July 2021, the Board announced that it had entered into an agreement for the disposal of the Company's legal services subsidiary, St. Frances House Ltd. ("**SFH**") for a total cash consideration of £85,000. The transaction completed on 21 July 2021; it will have a positive impact on the Group's cashflow during the current financial year, with ongoing cost savings estimated at £163,000 per annum.

Cost Savings - A comprehensive review of the Group took place, and a business plan has been prepared; this has included a full review of roles and responsibilities of employees and consultants which has been carried out across the Group and has resulted in a restructure to align salary costs with the volume of business and needs of the Group. This leads to a **reduction in our annual remuneration costs of circa £250,000 (**equal to around one-third of the total remuneration costs of the reviewed roles).

Historically the business recruited consultants to execute key roles, however, going forward all personnel will be salaried and supported by independent non-executive directors further in line with the revised strategy of the Group and in line with best practice.

The **combined cost reductions total around £415,000** will "right size" the business for its current operation and will allow the business to operate more efficiently as the business prepares for future growth. The Board intends to provide further details of its growth strategy ahead of the Company's annual general meeting to be held on 30 July 2021.

Rebranding – the identity of our Group needs to have international meaning in our strategic business plan, so it has the opportunity to become internationally significant and recognisable. For that purpose we intend, with shareholders' approval, to rebrand the Group to Tintra PLC.

Right People in the Right Roles – we have completed a skills assessment and needs analysis to identify the best opportunity for and value from the talent we have amongst our existing staff, to create a high-performance culture in the group with objectives and responsibilities clearly set out. This analysis has identified some gaps which we are in the process of recruiting currently. By September 2021 the Group expects to strengthen the management team of its payment services division, and is seeking to appoint a Business Development Director, Head of Operations and an Internal Operations Manager all in line with the growth strategy detailed in the business plan.

Strong Corporate Governance – to support the enhanced Board and senior management team, we have and will continue to appoint well respected firms as our corporate advisors. In July 2021, DLA Piper, a multinational law firm with offices in more than 40 countries throughout the Americas, Asia Pacific, Europe, Africa, and the Middle East and Bruce Wallace Associates Ltd, a respected firm of chartered secretaries, were engaged by the Group to provide Legal and Advisory, and Corporate Governance and Risk Management services respectively. Further appointments will be made as we progress our strategic business plan.

There are a number of further announcements that will be made during the summer that relate to the matters set out above and others that are to be announced in due course. I look forward to continuing at the same pace with the same urgency to deliver value to shareholders with a clear vision, an executable strategy and the changed management tactics to grow the business.

Richard Shearer
Chief Executive Officer (from 2 July 2021)
26 July 2021

Graeme Paton
Chief Executive Officer (to 2 July 2021)
26 July 2021

Finance Director's Report

Comments on Key Trading

To provide context to these Financial Statements, I am pleased to set out major developments within the Group in the year to 31 January 2021. I also provide a summary of Post Balance Sheet events since that date, all of which have been announced previously through regulatory news service announcements, details of which can be found on our website.

The Group reacted quickly to the Covid-19 program and, due to the nature of its revenue streams, did not see a significant change in its revenue. We continued to manage our costs downwards and we were able to continue to develop our systems architecture during this period to assist in our future growth.

Performance of divisions of the Group is as follows:

St. Daniel House Limited

SDH has continued to improve both its services and performance, through 2020 and into 2021 having launched new FX and Multi-Currency accounts. It successfully migrated its card management programs to a new provider and has delivered further improvements to its payment card processing services. Income from payments activities during the year to 31 January 2021 was £354,000 (2020: £298,000), with the increase in revenue driven by new account openings and FX.

Prize Provision Services Limited

During the Covid-19 lockdowns, entries into the lotteries administered by PPS remained steady despite clients' face-to-face promotion of their lotteries being constrained. Lotteries remain one of the most reliable and robust forms of fundraising, which supports PPS' focus on client and player acquisition over the coming year. In summary PPS's revenues rose from £691,000 to £701,000 and a loss of £46,000 for the year ended 31 Jan 2021 (2020: Loss of £43,000).

St Frances House

The exploration of the opportunity to create complementary revenue streams through legal claims activity led to the formation of a new division, St. Frances House. SFH was created as an entirely new entity to avoid any encumbrance or liability of the entity which was to service the legal case assets which SFH went on to acquire. SFH entered into its own lease agreements in Liverpool and staff who had previously worked by SFH's servicer entered into new employment contracts with SFH. Development of this legal claims business commenced in July 2020 with investment in new cases on a monthly basis. See the Post Balance Sheet note below.

Funding and restructuring of shares

On 30 June 2020 the company announced that it had entered into an agreement with a number of individuals including existing shareholders to enter into an unsecured convertible loan note issue for a total amount of £415,000 and £50,000 as a Coronavirus Bounce Back Loan to improve the working capital position of the Group (see note 21 for further details).

Post balance sheet events

This was necessary in order to replace the proposed investment from Auxilum Investere SJ Ltd, a UK company controlled by Michael and Linda Peters, which by May 2020 had become clear was unlikely to be delivered as set out in the Group's Report and Accounts for the year to 31 January 2020.

Lottery Services

Entries into the lotteries administered by Prize Provision Services Ltd remain steady as the country prepares for Covid-19 restrictions to be eased. Easing of restrictions is regarded as positive as clients will be able to promote their lotteries with face-to-face interaction.

Payment Services

For the period 25 February 2021 to 22 March 2021 growth continued in the payments division, with GBP: USD FX pair transactions growing an additional 14% in volume compared to the period 27 January to 25 February 2021. The Group saw further improvements in transaction activity in both Euro and GBP, increasing 168% and 82% respectively, driven by continuing up take of services rolled out to existing customers.

Customers using Prepaid Cards following the relaunch has been consistent with previous usage, with the revamped prepaid services being integrated to the Banking as a Service ("BaaS") offering that is now ready for launch. The planned marketing campaigns expect growth in customer acquisitions on Cards and Accounts through 2021.

The merchant services group completed work with the two international payment service providers, previously announced, developing and integrating the appropriate suite of services to meet their needs.

Restructuring of Payment Division

During 2020, the Group's card issuing, and e-wallet activities remained within its Market Access Ltd subsidiary ("MA"). However, the institution used by MA to issue cards and the associated e-wallet services has withdrawn from the European market. On 23 March 2021, the Board announced it had concluded that it would be beneficial to integrate the pre-paid card issuing and e-wallet offered by its new service provider with SDH's merchant and multicurrency account services in order to service our European and international client base. MA has no ongoing trading activities.

The Board agreed to sell MA to MDC Nominees Limited ("MDC") for £1.00 (the "Disposal"). MDC has previously acquired other subsidiaries involved in payments from SJH and has an existing commercial and creditor arrangement with SJH, as announced 12 July 2018 and updated on 6 February 2020 (the "MA Announcements"). MA will form part of that existing contractual arrangement and MDC, which is expected to utilise the legacy platform for its "non-conforming" customers, as set out in the MA Announcements.

Tintra Acquisitions Limited

On 25 March 2021, the Board announced that it had entered into a strategic financing and commercial investment agreement with Tintra Acquisitions Limited, a special purpose vehicle formed for this purpose, which included options to acquire a significant shareholding in the Company.

Financing

TA agreed to provide a convertible loan facility to SJH (the "Loan Facility") on an unsecured basis over a two-year term. £250,000 was invested in March 2021 and a further £500,000 on 21 July 2021 totalling £750,000 to the date of the issue of this report. In consideration for entering into the Agreement, Tintra were issued two options to acquire Ordinary Shares. Full of this agreement are set out in note 23 of the financial statement.

Commercial Agreement

Tintra and SJH have identified strategies that will allow for a range of 'FinTech' services to be delivered through the systems and infrastructure that SJH has developed in recent years, to grow those systems in line with identified gaps in the market and to produce a sales and marketing system that will deliver the current offering of SJH products to existing and new markets in more effective ways. The transaction will also provide to SJH broader management services, focused on marketing, business development, market intelligence and strategy. (Together, the "Management Services".)

Under the Agreement, Tintra shall licence to the Group the use of the Tintra Brand for a period of ten years (the "**Licence**"), which SJH shall have the right to renew in perpetuity at a cost of £1.00 per annum if Tintra retain a holding of Ordinary Shares greater than 5%, or at normal commercial terms if the shareholding is below this level.

Tintra will have the right to appoint two members to the Board (or other senior positions) for as long as Tintra holds at least 5 per cent of the issued Ordinary Shares of the Company, subject to the normal requirements for an AIM-quoted company (the "Appointees"). These appointments have been made as discussed earlier in this report.

The remuneration of the Appointees paid by SJH shall be set at a nominal £1.00 each per annum, and it is agreed that otherwise the services of the Appointees shall be included in the Management Services and the Appointees shall also hold a contractual relationship with Tintra. Tintra shall provide the Management Services for an initial period of two years in return for the consideration set out below, with no further consideration payable during this initial period, and that following the expiry of which it is anticipated that they will continue to provide Management Services on commercial terms reflective of the financial position of the Group at the time.

As part of the agreement, Tintra intends to maintain its holding of issued Ordinary Shares at below 30%. Further details of the agreement are set out in note 23 of the Financial Statements.

Divestment of the St Frances House legal services division

As of 24th March 2021, St Frances House Ltd had invested in 263 active cases, a further 27 cases had reached settlement in the period from 25 February 2021 to 22 March 2021, and 22 new cases had been added. The restrained caseload meant that the business was losing an average of £12,500 per month; the business would need a substantial investment to reach critical mass and, coupled with the Group's go-forward focus on core activities, that the Board resolved on 13 July 2021 to divest SFH to its management. The staff that were related to SFH have moved with the divested entity which represents a cost saving of more than £100,000 per year to the Group.

…………………………

Daniel Pym

Finance Director

26 July 2021

Compliance with Companies Act 2006, Section 172(1) Statement

Under Section 172 of the Companies Act 2006, the Directors have a duty to act in good faith, which would most likely promote the success of the company for the benefits and interests of all its stakeholders as a whole. The Group's stakeholders include, but are not limited to, its employees, suppliers and partners, clients and customers, regulators, and investors.

The Board of Directors endeavors to achieve and maintain a reputation for high standards amongst its stakeholders which it regards as crucial in its ability to successfully achieve its corporate objectives. During the development of the Group's strategies and its decision-making processes, the Board will consider its stakeholders and their interests. The differing interests of stakeholders require the Board to assess and manage the impact of its decisions in a fair and balanced manner for the benefit of its stakeholders as a whole.

The Board considers below these different stakeholder groups, their material interests and how the Group engages with them.

Employees:

Our employees are one of the most vital and important assets of the Group. Their high priority interests include training and development, a safe workplace environment, fair pay and benefits including being paid in full and on time, reward and recognition, and a clear understanding of what is expected of them in both short-term goals and overall job description. On a day-to-day basis, officers of the Group engage directly with employees to promote an open, healthy culture in which employees can make an active contribution toward the Group's success and be recognised for that. Officers aim to provide company updates, personnel development and performance reviews to contribute to the development of all staff. In the event of any acquisition, officers of the Group recognise the need for successful integration of all staff. Missions, visions and goals will be shared in order for all employees to feel part of the one team and working towards a common goal.

Suppliers and Partners

Suppliers and Partners are interested in fair trading terms and practices, payment terms, compliance with regulation in order that they own licenses are not put at risk and working towards building a successful relationship with the Group. The Group will regularly review its commercial terms and performance of contractual obligations with its suppliers and partners, alongside its monitoring of such performance. We will meet with our major suppliers and partners at appropriate regular intervals and take the appropriate action, when necessary, to prevent involvement in modern slavery, corruption, bribery and breaches of competition law.

Clients and Customers

Clients are interested in successful product availability with the desired functionality, high availability of those products to meet their usage needs, fair pricing and compliance with regulatory requirements. Customers want the facilities that they use to keep them from risk as far as reasonably possible. The Group wants to behave in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours. The Group wants to achieve a high level of customer and client service and will regularly review feedback and reviews It receives from customers and clients.

Regulators

Entities within the Group are regulated by the Financial Conduct Authority and licensed by The Gambling Commission and must adhere to the strict requirements of this regulation and licensing. The Group ensures that employees have sufficient knowledge and regular training as necessary to ensure that the Group complies with the requirements of such regulation and licensing. The nature of the payments services business inevitably results in a higher risk of money laundering. All employees and officers receive the relevant Anti-Bribery and Anti-Money Laundering training. Policies and procedures are in place to ensure that all employees and officers of the Group are able to appropriately deal with and upwardly report any suspicious case under Anti-Money Laundering legislation, including Politically Exposed Persons and Sanctions cases.

Investors

Investors expect to be informed of the financial performance and developments of the Group. This is done by issuing regular trading updates, publication of the annual and interim reports and press releases. All shareholders are invited to attend the Annual General Meeting, and any General Meetings, where they are able to raise questions to the Board. The senior management team will attend meetings with investors.

The Group considers the impact of its operations on the community and environment and our wider social responsibility, including how we comply with environmental legislation and pursue waste-saving opportunities and react promptly to local concerns.

The Strategic Report on pages 6 to 15 was approved and authorised for issue by the Board and was signed on its behalf by:

……………………….
Roger Matthews
Chairman

26 July 2021

GOVERNANCE

Risk Report

The senior executive management are responsible for the identification, assessment, management and monitoring of all risks of the Group.

There are several potential risks and uncertainties that could have a material impact on the Group's long-term performance. Below is a summary of key risk areas that may exist or arise from time to time with controls put in place to mitigate them.

Risk Type	Risk	Description of Risk	Mitigations
Financial	Funding and working capital	Maintaining a sufficient level of working capital is essential to enable the Group to meet its foreseeable obligations and achieve its strategy. Failure to manage working capital or to collect receivables, such as amounts due from Phillite D UK Limited and MDC Nominees Limited (see Notes 18 and 16), in a timely manner which could impact upon the ability of the Group to grow.	The Group will continue to improve the robustness with which it diligences partner organisations and their creditworthiness, to manage our exposure to third party organisations.
Financial	Macro-economic including impact of Brexit	Demand for the Group's services may be significantly affected by the general level of economic activity and conditions in the regions and sectors in which the Group operates. A continuation or deterioration of the challenging economic environment in regions or sectors where the Group's operations are focused, could have a material adverse effect on the Group's business and financial results.	The Group currently operates in jurisdictions which are valid under its UK EMD Agent license as granted by the Financial Conduct Authority. Should we wish to operate in EU jurisdictions, we will be required to secure a license in those regions and operate to the specific requirements of the EU regulator(s). Strategic regulatory and commercial changes are being made that will be announced during 3rd quarter 2021 that go some way to mitigating the risks identified
Financial	Liquidity Risk and Exchange Rate Risk	The main financial risks concern the availability of funds to meet obligations as they arise (liquidity risk) and fluctuations in exchange rates (exchange rate risk).	The Group's financial risk management strategy is based on sound economic objectives and corporate practices. The Board and senior executives review the cash and liquidity position at every Board meeting, to manage our short- and medium-term viability.
Commercial	Competition risk	The Group is engaged in business activities where a number of competitors operate. Many of these competitors are larger than the relevant businesses carried on by the Group and have access to greater funds than the Group, which will potentially enable them to gain market share at the expense of the Group.	The Group has implemented a longer-term strategy and vision for the business, including identification of corporate goals and a better alignment of activities towards the core goals and markets we have identified. A business plan helps to identify market opportunity with fewer competitors and what we should avoid.
Commercial	Market development risk	Any failure to expand the Group's service offering in response to client demand and/or industry developments may have an adverse effect on the Group's financial performance and prospects.	

Risk Type	Risk	Description of Risk	Mitigations
Commercial	Acquisition risk	The Directors may consider acquisitions to support the Group's business strategy. However, there is no guarantee that the Group will successfully be able to identify, attract and complete suitable acquisitions or that the acquired business will perform in line with expectations.	The Group shall deploy fit-for-purpose due diligence processes for each business being considered, agree objectives through way of a short-medium term business plan with key deliverables and ownership of such by named individuals. As appropriate, it will look to lock individuals' remuneration into their performance against that plan.
Commercial	Management of growth	The ability of the Group to implement its strategy in a competitive and expanding market requires effective planning and management control systems. The Group's growth plans may place a significant strain on its management, operational, financial and personnel resources. Any failure to further develop the Group's control systems could result in a material adverse effect on its business, financial condition and results of operations.	The Group's future growth and prospects depend on its ability to manage the growth; we therefor aim to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls.
Commercial	Partnership risk	Much of the Group's business is dependent on partners (acquiring banks, charities, clubs, etc.). Changes in key relationships with those partners, change of strategic direction by partner organisations, changes in the viability of partner-owned technology, economic and other business circumstances could all have an adverse effect on the financial performance of the Group.	The Group shall ensure it has implemented robust legal and service agreements with its partners and proactively manage those relationships. It shall seek to ensure that it does not have any 'single point of failure' risk in those partnerships. The Group shall assign accountability for partner and supplier relationship management to a senior management team individual who shall report on this to Board.
People	Retention and recruitment of talent	The Group relies upon retaining key individuals, whose expertise will be important to the performance of the Group going forward. The retention of key individuals is not guaranteed, and neither is the availability of new talent in the Group's preferred timetable or at the cost levels anticipated by the Group. The loss of key personnel and the inability to recruit further talent could have a material adverse effect on the future of the Group through the impairment of the day-to-day running of the businesses and the inability to maintain existing client relationships.	The Directors have endeavoured to ensure that key employees are suitably incentivised. The Group may need to recruit additional senior management and other individuals to develop its business and to avoid key person dependencies. The Group intends to implement a new performance management approach to all employees in the next year as part of a transformation program, along with a cultural change and renewed employee engagement initiatives.
Regulatory and Legal	Legal and regulatory risk	The Group is subject to a considerable degree of regulation and legislation. Changes in or extensions of laws and regulations affecting the industry in which the Group operates (or those in which its clients operate) and the rules of industry organisations could restrict or complicate the Group's business activities, with the potential to increase operational, compliance and/or legal costs significantly.	The Group welcomes regulation and legislation as it raises the barrier to entry for other firms. As it seeks to grow its business, the Group will look for ways in. which to increase the scope of its regulatory license(s) with the aim to grow its revenues and margins. Any such activity will be driven by the strategy and vision for the business, towards identified corporate goals and as part of an alignment of overall strategy towards our core goals.

Covid-19

Since early 2020, the Group's operations have undoubtedly been affected by Covid-19, however the Group acted swiftly to utilise any government support packages that were relevant, particularly to support our colleagues and minimise the need for redundancies. The Group acted quickly to take advantage of the ability of our colleagues to work from home and do what we were able to support them in that. The Board continues to closely monitor the liquidity and performance of the Group.

Corporate Governance Statement

The Group is committed to deployment of a good level of corporate governance. As Chairman, my responsibilities include leading the Board in an effective manner, overseeing the Group's corporate governance model, and ensuring that adequate and accurate information flows freely between senior management executives and Non-Executive Directors in a timely manner.

The Board has adopted the Quoted Companies Alliance ("QCA") Corporate Governance Code in line with the London Stock Exchange's AIM rules, requiring all AIM-listed companies to adopt and comply or explain non-compliance of any recognised corporate governance code. This report follows the structure of those guidelines and explains how we applied the guidance. The Board considers that the Group complies with the QCA Code in all respects and will provide annual updates of our compliance with QCA Code. Details of our compliance can be found on the Group's website at https://sjhplc.com/regulatory-news/aim-26-rule/.

The Board of Directors

The Board is responsible for the overall management of the Group, including the formulation and approval of the Group's business plan, medium-long term objectives and strategy, the approval of budgets, oversight of key changes and risks arising in the Group's operations, the sound management of risks in the Group and implementation of mitigants and controls, which shall include Group strategy, policies and plans. While the Board may delegate certain responsibilities, it reserves decision by the Board on specific matters including, but not limited to, significant capital expenditures, budget setting, business plan signoff, material business contracts and corporate transactions such as mergers, acquisitions and investment.

The Group's Board is presently made up of seven Directors, four of which are Non-Executive deemed to be 'independent'. The Board meets formally on a regular basis to review performance. The appointment of Directors is considered by the Nominations Committee, Remuneration Committee then the Board.

Roger Matthews – Chairman and Non-Executive Director
(date of appointment – 31 July 2019)
Committees: Audit Committee, Remuneration Committee, Compliance Committee

Roger trained as an accountant and has considerable experience in the corporate and offshore banking, mutual funds and trust company sectors. He has held senior and Board levels roles with major international banks including Bank of Bermuda, Royal Bank of Canada and Royal Trust Bank. He established his own trust company which was sold in 2007 to what is now the Imara Group in which he remains involved as a Non-Executive Director of their FCA-authorised UK subsidiary, Imara Asset Management (UK) Ltd and Chairman of the group's several mutual funds including one that is listed on Euronext Dublin. Roger founded Oyster Trust, a Geneva-based Trust Company in 2011, and remains as its Chairman and Managing Director.

Richard Shearer – Chief Executive Officer
(date of appointment – 2 July 2021)

Richard is the founder of Tintra Holdings Ltd, an organisation whose primary activities are as a hybrid Family Office and investment management firm based in Dubai with subsidiaries in London and in other jurisdictions which focuses on providing solutions to emerging market clients. Over the last 15 years, Richard has built TH by solving the problems of ultra-high net worth high-profile families from the emerging world, in particular solving issues that others have been unable to. He has developed deep connections across Africa, the Middle East and Asia. His key role has been in structuring solutions for its clients' complex cross-border issues, as well as sourcing and creating deal flow in Europe, the US & Australia. This has resulted in TH arranging investments across hospitality, real estate, film & television and fintech, amongst many others, for its clients.

Kathy Cox – Senior Independent Non-Executive Director
(date of appointment – 31 July 2019)
Committees: Compliance Committee and Nominations Committee

Kathy's career has been entirely in the financial services sector. Her roles have included general management and marketing of the London divisions of what are now Intercontinental Exchange Inc and Fitch Ratings, Inc. She served on the board of Capquest Group before it was acquired by Arrow Global Group plc, where she reported into its Founder, an Executive Director, and served on the UK Senior Leadership Team. Since 2017, Kathy has focussed on consultancy in the UK financial services space. She is Director of Kent Savers Credit Union, having served as Chairman, and is registered as a Senior Manager under FCA's SM&CR.

John Cripps – Non-Executive Director
(date of appointment – 20 April 2021)

John is a civil, commercial, and family mediator. He has dealt with insurance related disputes and has been involved with family and relationship issues. He also has a business development consultancy and has been on the Board of the Kensington & Chelsea Chamber of Commerce Ltd for over 10 years, where he is currently Deputy President. His earlier career was spent at a number of firms involved in the Lloyd's Insurance Market, where he held a variety of roles, and later in facilities management for a large City-based fund manager.

J M Leuba - Non-Executive Director
(date of appointment 03 September 2019, resigned 1 September 2020 for personal reasons)

Graeme Paton –Executive Director
(date of appointment – 30 January 2019, served as Chief Executive Officer to 1st July 2021)

Graeme joined the Group as part of the acquisition in 2016 of Emex, and since then he has held the position of Chief Technology Officer within the Payments Division of the Group. Having founded and built an international road transport and distribution business between 1986 and 2003, Graeme has focussed on the technology sector for the last 15 years. Since 2016, Graeme has overseen the integration of the different technologies utilised within the Group.

Daniel Pym – Finance Director
(date of appointment – 30 September 2020)

On 30 September 20, the Group announced the appointment of Daniel Pym to the Board in a capacity of Finance Director. Dan is a Chartered Management Accountant who joined the Group in November 2017 as Project Accountant. Following the previous Finance Director's departure in November 2019, Dan assumed the Head of Finance role in the Group. Dan has held senior roles in finance for over 15 years, including at Capquest (now Arrow Global) and the retail company Furniture Village. Dan has responsibility for the day-to-day operation of the Group's financial and management accounting functions.

Arno Rudolf – Non-Executive Director
(date of appointment – 20 May 2016)
Committees: Audit Committee, Remuneration Committee and Nominations Committee

Arno is a Fellow of the Association of Chartered Certified Accountants. He has over 50 years of commercial experience across a variety of industries and currently owns and operates a successful debt recovery business focused on the bloodstock and horse racing industry.

Andrew Flitcroft is the Company Secretary for St James House PLC. He is responsible for ensuring that Board procedures are followed and that the Group complies with all applicable rules, regulations and obligations governing its operation, as well as assisting the Chairman maintain acceptable standards of corporate governance.

Effectiveness
The Board of Directors includes Directors who are considered by the Directors to be independent for the purposes of the QCA corporate governance code. The Board convenes a minimum of eleven times a year, approximately monthly, and more frequently where business needs require. The Non-Executive Directors are each expected to dedicate no less than 24 days per annum and otherwise such time as may be required.

In addition to their general Board responsibilities, Non-Executive Directors are encouraged to be involved in specific tasks, meetings, projects or workstreams which align with their individual areas of expertise.

The Board, with key senior management, is committed to maintaining a healthy dialogue with all its shareholders, to inform shareholders' decisions about the group. The Chairman is generally available to shareholders and the AGM and any other GM are additional opportunities for shareholders to communicate with the Board. The AGM is attended by the Board and key senior management and is open to all the Group's shareholders.

At the AGM held on 19 April 2021 for the year ending 31 January 2020, deferred due to the Covid-19 situation, the proposed resolutions received the following votes:

Resolution	*For number of*	*Against number of*	*For %*
Ordinary:			
1. Annual accounts	1,965,265	76	99.996%
2. Re-appoint auditors	1,965,341	92	99.995%
3. Determine auditors' remuneration	1,959,575	5,778	99.706%
4. Re-elect R R Matthews	1,965,277	76	99.996%
5. Re-elect K A Cox	1,965,277	76	99.996%
6. Approve the directors' remuneration report	1,941,389	5782	99.703%
7. Approve the directors' remuneration policy	1,941,389	5782	99.703%
8. Power to issue shares	1,941,392	5782	99.703%
Special:			
9. Disapply pre-emption rights	1,941,392	5782	99.703%

The Group has an Audit Committee, a Remuneration Committee, a Compliance Committee, a Nominations Committee, and an Operations Committee, each with formally delegated duties and responsibilities as delegated below. Each committee has terms of reference and includes a chairman and at least one additional director. The attendance record of each relevant Director and Board meetings during the year to 31 January 2021 is as follows:

	Board meetings	Audit Committee	Remuneration Committee	Nominations Committee	Compliance Committee
Roger Matthews	9	6	2		8
Kathy Cox	10			2	8
Graeme Paton	10				
Jacques Leuba	6			1	
Dan Pym	1				
Arno Rudolf	7	6	2	2	

Committee responsibilities and structures:

Audit Committee
The Audit Committee is responsible for monitoring the integrity of reviews and reports it receives from management and the Group's auditors, relating to the annual and interim accounts, and the accounting and internal control systems in use throughout the Group. Chaired by Arno Rudolf with Roger Matthews as member. The Audit Committee has unrestricted access to the Group's external auditors. The Audit Committee oversees the relationship with the Group's external auditors, including advising on their appointment, agreeing the scope of audit and reviewing the audit findings.

The committee is required to meet not fewer than two times per year. The Audit Committee met six times during the year to 31 January 2021 to review the full year accounts to 31 January 2020 and the interim accounts to 31 July 2020. During the meetings, the Audit committee also reviewed the external auditor's management letter and management's responses.

On the 25 September 2019 the Company received a review letter from the Corporate Reporting Review Team ("CRRT") of the Financial Reporting Council ("FRC") in relation to its review of the financial statements for the year ended 31 January 2019 ('FY19'). The key change in the financial statements for the year ended 31 January 2020 is to make a number of prior year adjustments relating to the earning per share disclosure, the treatment of the interest in debt instruments, accruals with regards to legal fees and Directors and key management personnel remuneration. In February 2021 the CRRT subsequently confirmed that it had closed its enquiries. The CRRT noted its review was solely based on a review of the accounts for the year ended 31 January 2019 and cannot be relied on as an assurance or verification.

Remuneration Committee
The Remuneration Committee's role is to propose terms and conditions of appointment of non-executive directors (including remuneration) which are then set by the Board. The Remuneration Committee also advises on staff and senior management's remuneration and administers the Company's share option schemes. Chaired by Arno Rudolf with Roger Matthews as member, it also reviews the scale and structure of the Executive Directors' remuneration and the terms of their contracts.

The committee is required to meet not fewer than two times each year, and at such other times as required. During the year to 31 January 2021, the remuneration committee met twice, once in September 2020 to determine the proposed remuneration for Director appointments, and then again in November 2020 to assist the Board review of staff salaries.

Nominations Committee
The Nominations Committee role is to consider appointments to the Board. It is chaired by Arno Rudolf with Kathy Cox as member.

The Nominations Committee met in May 2020 and September 2020, to review the Board composition and approve the appointment of Dan Pym as Finance Director respectively.

Compliance Committee
The Compliance Committee works closely with the Board to ensure that the Company's Nominated Adviser is provided with any information it reasonably requests or requires in order that it may carry out its responsibilities under the AIM Rules. Chaired by Kathy Cox with Roger Matthews as member, has the primary responsibility for ensuring compliance with the AIM Rules for Companies concerning the disclosure of information.

The Compliance Committee met as part of various Board meetings held, with a view to ensuring that all and any information discussed at Board level were dealt with in the appropriate ways with respect to the AIM rules concerning the disclosure of information.

Operations Committee
The Operations Committee provides review, guidance and oversight for the operational areas of the business whilst providing strategic insight to operational processes and issues. It is chaired by Graeme Paton with other senior management from across the business including, Sales, Finance and Operations as members. This committee meets monthly to review the progress, updates and other issues arising during the month, and to provide feedback and suggestions to senior management, and in turn updates the Board monthly.
Committee Reports.

In the year to 31 January 2021, the Operations Committee met on a monthly basis through the year. The main focus of the year was to provide the appropriate support and guidance to the Payment Processing business as it built out its products, services and brands. Particular attention was given to ensuring that the policies, processes and compliance aspects of the business were sufficiently robust to underpin the anticipated business growth.

The QCA's Ten Principles of Corporate Governance

The Board and senior management recognise the value and importance of good corporate governance and are committed to drawing upon best practice and maintaining high standards. Further to AIM Rule 26, the Board has determined to follow the QCA Code, published by the Quoted Companies Alliance, which sets out a minimum best practice standard for small and mid-size quoted companies, particularly AIM companies.

The following information is provided to describe how the Company applies the principles in the QCA Code and explain any departures from the specific provisions of that code. The date of the latest review was 14 May 2021.

The ten principles of corporate governance are set out under three headings in the QCA Code – Deliver Growth, Maintain a Dynamic Management Framework, and Build Trust – and applied by the Company as follows:

Deliver Growth

1. Establish a strategy and business model which promote long-term value for shareholders

The Board is responsible to shareholders for setting the Group's strategy and overseeing its execution, and for the overall management, control and performance of the St James House business. The Group's strategy and business model is further described in the Chairman's and CEO's reports on pages 6 to 10 of these 2021 Annual Report and Accounts.

2. Seek to understand and meet shareholder needs and expectations

The Board considers effective communication with shareholders to be very important and encourages regular dialogue with investors. The Board welcomes and responds promptly to questions received, which may be sent to info@sjhplc.com and are managed by the Group's Chief Executive Officer and Company Secretary.

At the Group's Annual General Meeting, the entire Board are normally available before and after the meeting for further engagement with shareholders. Due to the UK's COVID-19 restrictions at the time, April 2021's AGM was held as a virtual meeting, which we believe was very effective and we may repeat in future.

During the year to 31 January 2021 and to the date of this Report, St James House held the following meetings:

28 February 2020 – General Meeting:	1. 2. 3.	Company adopt the "Model" articles of association as amended by the insertion of Deferred Shares rights and privileges Authority to issue shares Disapply pre-emption rights Disposal of Market Access Ops Limited
19 April 2021 – Annual General Meeting:	1. 2. 3.	To receive the Company's accounts for the year ended 31 January 2020 To re-appoint the Company's auditors. To authorise the Directors to determine the auditors' remuneration.

	4. & 5. 6. & 7. 8. 9.	To re-elect Directors of the Company To approve the directors' remuneration report and policy for the financial year ended 31 January 2020. Authority to issue shares Disapply pre-emption rights

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Group believes that, in addition to its shareholders, suppliers, clients and regulatory partners, its employees are the main stakeholders. We continually work to improve our employment practices and create a rewarding environment for employees. Additionally, we invest in training and development for employees and management and believe in diversity in the workplace.

The Group has an open and compliant approach to its dealings with the regulators concerned with trading of the SJH's shares on the AIM Market. The Board seeks to identify suppliers that provide the right balance of capabilities and cost and are identified purely on an arms-length commercial basis. The Group's suppliers will be paid in line with agreed payment terms and the Board will act in an ethical manner in all dealings and expect the same from its suppliers.

The Board recognises that as it develops, there will be wider stakeholder and social responsibilities which will have to be taken into account, in particular in relation to the communities in which it becomes active. The Board will seek constructive feedback from all its stakeholders and Arno Rudolf has been designated as the Non-Executive director to whom any stakeholder may provide open and confidential feedback.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Group employs directors and senior management with the appropriate expertise and experience for a business active in its field of operations and undertakes regular risk assessments and reviews of its activities.

Further information can be found in the Risk Report section of this 2021 Annual Report and Accounts as detailed on page 16. This is reviewed and updated as required and adopted by the Board at least annually.

The principal risks and uncertainties that are considered to have a potentially material impact on the Company's long-term performance and delivery of its strategy are set out on pages 16-18 of this Annual Report and Accounts.

Maintain a Dynamic Management Framework

5 Maintain the board as a well-functioning, balanced team led by the Chairman

The Board comprises a Chairman and at least two part-time Non-Executive Directors with the relevant expertise to complement the full-time executive directors, of which there are no fewer than two, and to provide an independent view to the executive directors. The appointed Company Secretary is a qualified Chartered Accountant with the relevant experience to perform this function. The Chairman assisted by the Senior Independent Non-Executive Director take a position of leadership on all matters of Corporate Governance. They are supported in this by the Company Secretary, who ensures that the Board (and any Board Committees) are provided with high quality information on a timely manner to facilitate a proper assessment of the matters requiring a decision or insight.

Details of the Board can be found in the Corporate Governance Statement of this report on page 19. A time commitment of up to 4 days a month is expected of the Non-Executive Directors as standard, with additional days being committed as and when matters or the business require. Further information on the number of meetings of the Board and the committees and the attendance record of each director can be found on page 21 of the Corporate Governance Statement.

Any changes to the Board or to the committee memberships for the year to 31 January 2021 are detailed in the Corporate Governance Statement of this report on page 19.

The roles of the Chairman and the Chief Executive Officer are separated, with clear division of responsibilities. The Chairman is principally responsible for leadership and effectiveness of the Board, for corporate governance matters, setting the Board agenda, ensuring adequacy of information flow to the Board, that due consideration is given to strategic issues, and promoting a culture of openness of debate at Board level, and between directors and the senior management team. The Chief Executive Officer is primarily responsible for the management of the business and implementation of the Company's strategy and policies, maintaining a close working relationship with the Chairman, and leading the Executive Committee.

6. Ensure that between them the directors have the necessary up-to-date experience, skills, and capabilities

The Board includes individuals with a deep knowledge of relevant markets and corporate governance in a regulatory environment. The Board believes that, as a whole, it contains the necessary mix of experience, skills, personal qualities (including diversity) and capabilities to deliver the strategy of the Group for the benefit of the shareholders over the medium to long term. This is an area which is maintained under constant review. Full details of the directors and their relevant skills are set out in the Corporate Governance Statement of this report on page 19.

Internal Advisory Responsibilities
The Company Secretary, through the Chairman, is responsible for advising the Board on governance matters, and for ensuring that Board procedures are followed and that the Group complies with applicable rules and regulations. All directors have access to the advice and services of the Company Secretary. An agreed procedure exists for directors in the furtherance of their duties to take independent professional advice. During the year to 31 January 2021, no director sought independent legal advice pursuant to the policy.

The Group regularly reviews the ongoing training requirements of directors as part of the annual board evaluation process. Directors keep their personal skillsets up to date through a combination of industry contact, reading of relevant material and, where appropriate, training courses. Relevant training courses are made available to directors as appropriate.

There is a process for ensuring that any new director receives advice, including from the Company's nominated adviser and external lawyers where appropriate, on his/her responsibilities as a director of an AIM company. The Board ensures that any new appointee benefits from an induction program. During the year to 31 January 2021, the Board sought independent legal advice with respect to:

- *The sale of Market Access Ops Limited*
- *Fund raising and issue of shares in the Company*

The Chairman, in conjunction with the Company Secretary, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to the Group, its operational environment and to the Directors' responsibilities as members of the Board. During the year, Directors received updates from the Company Secretary and various external advisers on a number of corporate governance matters.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Group undertakes regular monitoring of personal and corporate performance using agreed key performance indicators and detailed financial reports and works with its corporate advisers to ensure standards are of an appropriate level for a publicly quoted company. In addition, the Board annually reviews its own performance as a whole and of each individual Director. The performance of each Committee is also assessed and guidance and or improvements are made where and when considered appropriate and necessary. These evaluations were not undertaken in previous years. It is intended that these evaluations shall be undertaken annually, after the end of each financial year but prior to the publication of the respective annual report and accounts. The Board also considered and ensures that each Director has the appropriate skills, knowledge, experience and qualifications to be able to perform his or her duties to the highest standard required.

The Group's approach to succession planning is to bring talented individuals into the Group, utilising opportunity to attract greater existing skills at an operating level with each recruitment opportunity.

8. Promote a corporate culture that is based on ethical values and behaviours

The Group is committed to providing a safe environment for its staff and other parties for which the Group has a legal or moral responsibility in this area. An open culture is encouraged within the Group, with regular communications to staff and staff feedback regularly sought. The senior management team monitors the Group's cultural environment and seeks to address any concerns than may arise, escalating these to Board level as necessary.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Board comprises a Non-Executive Chairman, the Chief Executive Officer, the Finance Director and at least other two Non-Executive Directors. The Company Secretary is a qualified Chartered Accountant with the relevant experience to perform this function. The composition of the Board will be reviewed as and when the size of the Group or the nature of the Group's business evolves, to ensure we retain appropriate expertise on the Board. The Corporate Governance Statement from page 19 of this report sets out Board responsibilities, profiles of current members of the Board together with the Board's committees including their purposes and composition. The terms of reference for the different committees can be viewed here at www.sjhplc.com/regulatory-news/aim-26-rule/.

Build Trust

10.Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Board considers effective communication with shareholders to be very important and encourages regular dialogue with investors. Directors regularly attend meetings with shareholders throughout the year, and the Board responds promptly to questions received. Shareholders will be given at least 21 days' notice of the Annual General Meeting, at which they have the opportunity to raise questions of the Board on the Group's developments and performance. Special arrangements were made for the 2020's AGM, given Covid-19 restrictions – further detail is shown under QCA Principle 2 above.

Copies of the Annual Report and Financial Statements are issued to all shareholders and copies are available on the Company's website https://sjhplc.com, which provides information to shareholders and other interested parties. The website contains full details of the Company's business activities, press releases and links to the London Stock Exchange website for share price information, share trading activities and graphs, as well as Regulatory News Service (RNS) announcements. The Chief Executive Officer and the Company Secretary deal with shareholder correspondence and may be contacted at info@sjhplc.com.

……………….

Roger Matthews
Chairman

26 July 2021

Directors' Report

The Directors present their Annual Report and audited Financial Statements for the year ended 31 January 2021. This includes the other reports preceding this one namely:

- Company Information
- Strategic Report
- Risk Report and Corporate Governance Statement, including Committee reports
- Committee reports

Principal activities

The principal activity of the Group is that of a holding company including undertaking certain head office functions and PLC related activities.

The principal activities of the Group in the year to 31 January 2021 was that the provision of payment processing products and services and of lottery administrators.

Financial risk management

The Group's financial risk management policies are disclosed in the accounting policies and note 26 within the Financial Statements.

Research and development

The Group is committed to research and development activities principally in relation to process improvements surrounding card payment services.

Dividends

The Group's current capital allocation strategy is entirely focussed on reinvesting in the business in line with its growth and operational efficiency objectives. The Directors will keep that under review as the business develops in future years.

The Directors do not recommend the payment of a dividend for the year ended 31 January 2021 (year ended 31 January 2020: £nil).

Directors' Remuneration Report

The Group has a Remuneration Committee currently comprising two Non-Executive Directors and chaired by Arno Rudolf.

Directors' interests in shares and warrants

The Directors who held office during the year ended 31 January 2021 had the following interests in the shares of the Company, including family interests:

Ordinary shares of 0.1p each	At 31 January 2021	At 31 January 2020
Roger Matthews	41,667	-
Graeme Paton	41,667	25,000
Arno Rudolf	16,667	-
Dan Pym (appointed 30 September 2020)	91,666	n/a
Jacques Leuba (as at resignation 31 August 2020)	n/a	13,333

The following share options had been issued to the Directors of the Group:

	Number	Exercise price	Exercise period
A Rudolf	20,000	100p	24 April 2018 – 23 April 2023

Directors' remuneration

In accordance with AIM Rule 19, the remuneration of the Directors, who served during the year is detailed below:

	Fees & benefits in kind	Bonus	Pension contributions	Total
	£'000	£'000	£'000	£'000
R M Matthews	24,000	-	-	24,000
K A Cox	20,000	-	-	20,000
J W M Leuba	12,000	-	-	12,000
G Paton	54,000	-	-	54,000
D Pym	33,333	-	-	33,333
A Rudolf	17,333	-	-	17,333
Total	**160,666**	**-**	**-**	**160,666**

Substantial shareholdings

As at 31 January 2021 the Group has been notified of the following substantial holdings (3% or more) of ordinary 0.1p shares:

	Percentage holding	No. of shares
Empire Global Management Ltd	11.88%	500,000
Philip Jackson [1]	9.88%	415,650
John Botros [2]	7.13%	300,000
Christian Russell	7.13%	300,000
James Rose [3]	7.10%	298,921
Oyster Trust SARL as trustee	6.01%	252,736
JM Malone [4]	4.90%	206,236
Lord Tim Razzall	3.40%	142,965

1. Includes Ordinary Shares held by Moorhen Limited, a company controlled by Mr Jackson and 33,333 Ordinary Shares held by Tilly Beazley, Mr Jackson’s wife.
2. Includes 100,000 Ordinary Shares held by MDC Nominees Limited, a company controlled by Mr Botros. Mr Botros is a subsidiary director of the Group.
3. Includes Ordinary Shares held by Management Express Limited, a company controlled by Mr Rose. Mr Rose is a subsidiary director of the Group.
4. J M Malone is Mr Botros’ wife. Includes 160,000 Ordinary Shares held by Bluedale Corporate Limited, a company controlled by Ms Malone.

No other person has notified an interest in the ordinary shares of the Company as required to be disclosed to the Company.

Since the period end and to the date of approval of this report, there have been movements in both the number of shares in issue and the substantial holdings - as at 24 June 2021 the Company had been notified of the following substantial holdings (3% or more) of ordinary 0.1p shares:

	Percentage holding	**No. of shares**
Empire Global Management Ltd	10.71%	500,000
Tintra Acquisitions Ltd	9.90%	462,311
Philip Jackson [1]	8.90%	415,650
John Botros [2]	6.42%	300,000
Christian Russell	6.42%	300,000
James Rose [3]	6.40%	298,921
Oyster Trust SARL as trustee	5.41%	252,736
J M Malone [4]	4.42%	206,236
Lord Tim Razzall	3.06%	142,965

1. Includes Ordinary Shares held by Moorhen Limited, a company controlled by Mr Jackson and 33,333 Ordinary Shares held by Tilly Beazley, Mr Jackson’s wife.
2. Includes 100,000 Ordinary Shares held by MDC Nominees Limited, a company controlled by Mr Botros. Mr Botros is a subsidiary director of the Group.
3. Includes Ordinary Shares held by Management Express Limited, a company controlled by Mr Rose. Mr Rose is a subsidiary director of the Group.
4. J M Malone is Mr Botros’ wife. Includes 160,000 Ordinary Shares held by Bluedale Corporate Limited, a company controlled by Ms Malone.

Capital structure

Details of the issued share capital are shown in note 23 provides information on the Company’s capital management. There are no special restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company’s shares that may result in restriction on the transfer of securities or on voting rights. No one has any special rights of control over the Company’s share capital and all issued shares are fully paid.

Donations

Neither the Company nor any of its subsidiaries made any political or charitable donations or incurred any political expenditure during either the year to 31 January 2021 or the year to 31 January 2020.

Creditor payment policy and practice

It is the Group's policy to establish terms of payments with suppliers when agreeing each transaction or series of transactions, to ensure that suppliers are aware of these terms of payment and to abide by them. See note 20 for additional disclosures.

Going concern

UK company law requires Directors to consider whether it is appropriate to prepare the financial statements on the basis that the Company and the Group are a going concern. Furthermore, IAS 1 states that an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. Throughout the financial statements there are various disclosures relating to Group funding and operational risks.

As disclosed in the Chairman's Statement and Strategic Report, the Directors are satisfied with the end of year results for 2021, as the business continued to go through a transition period and to manage the risks presented by Covid-19.

Since then, the Group has embarked on important and strategic developments of the Group as part of a wholesale transformation program. Early results of that program are already delivering improvements through all aspects of the business, including rationalisation of costs and core activities, a new HR framework and recruitment of the right talent with the right expertise, strengthening of the entire governance framework across the business and a strategic financing and commercial agreement with Tintra Acquisitions which has facilitated their investment of additional funding of working capital of £750,000 since March 2021.

As noted in the Strategic Report, the Group explored the opportunity that might exist in the legal services sector in the year to 31 January 2021. The Group set up an entirely new entity, SFH, to invest in legal claims cases. In turn, SFH entered into employment contracts with a small number of individuals in Liverpool to manage the invested cases; post balance sheet, the directors had assessed the likely future profitability of SFH and concluded that business would need a substantial investment to reach critical scale and profitability. As a result, the Board resolved on 13 July 2021 to divest SFH to its management. The staff that were related to SFH have moved with the divested entity which represents a cost saving of more than £100,000 per year to the Group.

The Directors have prepared cash flow projections for the remaining divisions and Group for the period to 31 July 2022 which indicate that the Group will generate significantly improved revenue, profit and cash inflows in that period. The Directors are also confident that there is sufficient working capital to fund the Group's plans through to the end of financial year 2022 at least, and that further cost efficiencies remain to be realised.

The Directors are therefore confident that the Group will be able to generate sufficient resources from its trading to meet the Group's future cash flow requirements and settle its liabilities as they fall due. Therefore, the Directors are of the opinion that the Group has adequate resources to continue in operation for the foreseeable future and they consider it appropriate to adopt the going concern basis in preparing the financial statements.

The Directors also confirm that Directors and Officers Insurance with adequate cover was in place for the entire financial year to 31 January 2021.

Environment

The Group is always seeking ways to minimise its consumption of resources and to protect the environment.

Relationship with employees

The Group places considerable value on the involvement of the employees and keeps them informed on matters affecting them as employees and on relevant matters affecting the performance of the Group.

The Group’s considers itself an equal opportunities employer. It does not discriminate on the basis of disability, gender or gender reassignment, marriage and civil partnership, pregnancy and maternity or paternity, race, sexual orientation, religion or belief or age.

Information to shareholders

The Group has its own website (www.sjhplc.com) for the purposes of improving information flow to shareholders as well as potential investors.

Relations with shareholders

The Chairman is the Group’s principal spokesperson with investors, fund managers, the press and other interested parties. At the Annual General Meeting, private investors are given the opportunity to question the Board.

Internal control

The Board acknowledges its responsibility for establishing and monitoring the Group’s systems of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group’s systems are designed to provide the Directors with reasonable assurance that problems are identified on a timely basis and so can be dealt with appropriately.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors’ report confirm that, so far as they are each aware, there is no relevant audit information of which the Group’s auditor is unaware; and each Director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Group’s auditors is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Chairman’s Statement and Strategic Reports on pages 6 to 15.

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Group's financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group's financial statements for each financial year. Under the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 and applicable law and they have elected to prepare the parent company's financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of their profit or loss for that period. In preparing the parent company's financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs;
- for the parent company's financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Governance Statement was approved on behalf of the Board.

…………….
Richard Shearer
Chief Executive Officer
26 July 2021

Independent Auditor's Report to the Members of St James House PLC

1. Our opinion is unmodified

For the purpose of this report, the terms "we" and "our" denote MHA MacIntyre Hudson in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of St James House PLC. For the purposes of the table on page 35 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA MacIntyre Hudson and/or our component teams. The Group financial statements, as defined below, consolidate the accounts of St James House PLC and its subsidiaries (the "Group"). The "Parent Company" is defined as St James House PLC. The relevant legislation governing the Parent Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

We have audited the financial statement of St James House PLC which comprises;

- Consolidated Statement of Profit and Loss and Other Comprehensive income for the year ended 31 January 2021.
- Consolidated Balance sheet at 31 January 2021.
- Consolidated Statement of Changes in Equity for the year ended 31 January 2021.
- Consolidated Statement of Cashflows for the year ended 31 January 2021.
- Notes 1 to 28 of the Group financial statements, including accounting policies
- Company Statement Balance sheet at 31 January 2021.
- Company Statement of Changes in Equity for the year ended 31 January 2021.
- Company Notes 1 to 17 of the Group financial statements, including accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 January 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

2. Material uncertainty related to going concern

We draw attention to note 1.4 to the financial statements which describes the Directors' opinion of the Group's ability to continue as a going concern. This depends on the improvement in revenue, profit and cash inflows. The Group's restructuring work remains in progress and, as such, these events and conditions represent a material uncertainty on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included the following;

The risk – judgements about future events and disclosure quality

The Directors have undertaken a significant restructuring of the Payment Processing business during the year to 31 January 2021 as a critical part of the Group's strategy. As a result of the challenges faced by the business in recent periods, and as a result of this restructuring started in the prior year, the Group remained in the relatively early phases of its revised longer-term strategy and has generated further losses in the year ended 31 January 2021 and subsequently.

The Directors have prepared cash flow projections for the period to 31 July 2022, which indicate that the Group will generate revenues, profit and cash inflows in that period. In particular, the projections demonstrate that the Group will be able to address current cash flow shortfalls, and that it will be able to meet its liabilities as they fall due for the foreseeable future.

The financial statements explain how the Directors have formed a judgement that it is appropriate to prepare the accounts of the Group on a going concern basis.

As this assessment involves a consideration of future events there is a risk that the judgement is inappropriate.

Furthermore, clear and full disclosure of the facts and the directors' rationale for the use of the going concern basis of preparation, including that there is a related material uncertainty, is a key financial statement disclosure.

Other procedures included;

- **Personnel interviews**: inquiring of senior management and challenging the assumptions used in the Directors' forecast models, in particular those relating to forecast revenue, and corroborating these against available evidence by inspecting agreements signed with new and existing customers;
- **Sensitivity analysis**: we assessed reasonably possible downside scenarios that would result in the cash flow falling below operating expense requirements and considered whether they could be considered to be reasonably possible; and
- **Assessing transparency**: Assessing the going concern disclosure for clarity, including that there is disclosure of a material uncertainty.

3. Overview of the scope of the audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

4. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

Key audit matter	**The risk**	**Our response**
Assessment of the litigation position relating to amounts due from Phillite D Limited See note 18 relating to the recoverability of the amounts due from Phillite D Limited £130,600 at 31 January 2021 (2020: £840,000) Risk vs 2020 – remains the same	Assessment of valuation The recoverability of the amounts due from Phillite D limited are related to ongoing litigation. There is always a judgement required as to the success of the litigation or otherwise which would have an impact on the likelihood of the recoverability of the debtors or the likelihood of settlement of the creditor.	Our procedures included: Review of the supporting documentation relating to the litigation for the transactions involved, discussions with management and in-house counsel.
Recoverability and valuation of specific receivables See note 16 relating to the recoverability of the debt instrument issued by MDC Nominees Limited £1,247,000 (2020: £1,124,000) Risk vs 2020 – remains the same	Valuation There is judgement required to assess both the timings of the repayment of the loan note and the appropriate discount rate used to model the fair value.	Our procedures included: Discussions with management and review of the underlying cash flow forecast for the business sold to MDC to assess the expected timing of the repayments. Review of the appropriate discount rates used by the Directors to translate the above cashflows into a fair market value of the loan instrument including use of comparators.

5. Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Materiality for the Group financial statements as a whole was set at £32,000 (2020: £36,000), determined with reference to a benchmark of group normalised earnings before interest, depreciation and amortisation ('EBITDA') (of which it represents 2% (2020: 1.75%) including discontinued operations). We consider EBITDA to be the most appropriate measure of group performance.

Performance materiality for the Group financial statements was set at £19,000 (2020: £21,600) which represents 60% (2020@ 60%) of the above materiality levels. The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls, and the level of misstatements arising in previous audits.

Materiality for the Company financial statements as a whole was set at £18,000 (2020: £31,000), determined with reference to a benchmark of company gross assets, of which it represents 1% (2020: 1.25%).

Performance materiality for the Company financial statements was set at £12,600 (2020: £18.600) which represents 60% (2020@ 60%) of the above materiality levels. The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls, and the level of misstatements arising in previous audits.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £1,750, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 9 (2020: 8) reporting components, we subjected 5 (2020: 5) to full scope audits for Group purposes. For the residual 4 components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The components within the scope of our work accounted for 100% (2020: 100%) of total group revenue,100% (2020: 100%) of group loss before tax and 100% (2020: 100%) of total group assets.

All component audits, including the audit of the Group, were performed by the Group team using component materiality, which ranged from £2,000 to £18,000, having regard to the mix of size and risk profile of the Group across the components.

6. Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion of the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact

We have nothing to report in this regard.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

7. Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8. Respective responsibilities

Directors' responsibilities
As explained more fully in their statement set out on page 19 the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below;

- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Enquiry of management around actual and potential litigation and claims.
- Enquiry of management to identify any instances of known or suspected instances of fraud.
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing the control systems in place.
- Performing audit work over the risk of management override of controls, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias; and
- Challenging assumptions and judgements made by management in their significant accounting estimates.

A fuller description of our responsibilities is provided on the FRC's website at:
www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

9. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jason Mitchell MBA BSc FCA (Senior Statutory Auditor)

For and on behalf of
MHA MacIntyre Hudson

Statutory Auditors

Reading, UK

26 July 2021

FINANCIAL STATEMENTS

Consolidated Statement of Profit and Loss and Other Comprehensive Income

for year ended 31 January 2021

	Note	**2021**	2020
		£000	£000
Continuing operations			
Revenue	3,4	**1,104**	873
Cost of sales	3,5	**(859)**	(547)
Gross profit		**245**	**326**
Administrative expenses			
Other	3,5	**(1,771)**	(2,153)
Impairment of intangible assets	13	**-**	(784)
Impairment of financial assets		**(474)**	(1,059)
Total administrative expenses		**(2,245)**	(3,996)
Operating loss		**(2,000)**	**(3,670)**
Finance expenses	7	**(26)**	(4)
Loss before tax		**(2,026)**	**(3,674)**
Loss for the year from continuing operations		**(2,026)**	**(3,674)**
Discontinuing operations			
Loss from discontinued operations, net of tax	9	**2,010**	(592)
Loss for the year		**(16)**	**(4,266)**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss:			
Revaluation of equity investment – Soccerdome	14	**-**	(213)
Other comprehensive loss for the year, net of income tax		**-**	**(213)**
Total comprehensive loss for the year		**(16)**	**(4,479)**

The notes on pages 44 to 85 form part of these financial statements

Loss per share			
Basic loss per ordinary share (pence per share)	11	**(0.43)**	(138)
Diluted loss per ordinary share (pence per share)	11	**(0.43)**	(138)
Loss per share from continuing operations			
Basic loss per ordinary share (pence per share)	11	**(54)**	(119)
Diluted loss per ordinary share (pence per share)	11	**(54)**	(119)
Earnings per share from discontinued operations			
Basic earnings per ordinary share (pence per share)	11	**54**	(19)
Diluted earnings per ordinary share (pence per share)	11	**54**	(19)

All of the loss for the period is attributable to equity holders of the Group.

The notes on pages 44 to 85 form part of these financial statements

Consolidated Balance Sheet

At 31 January 2021

	Note	2021	2020
		£000	£000
Non-current assets			
Property, plant and equipment	12	**34**	8
Goodwill	15	**158**	158
Other intangible assets	13	**15**	23
Investments in equity instruments	14	**-**	-
Investments in debt instruments	16	**1,247**	1,124
Total non-current assets		**1,454**	**1,313**
Current assets			
Trade and other receivables	18	**497**	1,160
Cash and cash equivalents	19	**932**	336
Total current assets		**1,429**	**1,496**
Total assets		**2,883**	2,809
Current liabilities			
Trade and other payables	20	**3,696**	4,411
Bank and other borrowings	21	**7**	6
Total current liabilities		**3,703**	**4,417**
Non-current liabilities			
Trade and other payables	20	**310**	310
Bank and other borrowings	21	**383**	**-**
Total liabilities		**4,396**	4,727
Net liabilities		**(1,513)**	**(1,918)**
Equity attributable to equity holders of the Group			
Share capital	23	**3,127**	3,116
Share premium	25	**3,277**	3,020
Other reserves	24	**100**	-
Retained earnings		**(8,017)**	(8,054)
Total equity attributable to equity holders of the Group		**(1,513)**	**(1,918)**

These financial statements were approved by the board of directors and authorised for issue on 26 July 2021 and were signed on its behalf by:

Daniel Pym
Director
Company registered number: 04458947

The notes on pages 44 to 85 form part of these financial statements

Consolidated Statement of Changes in Equity
for year ended 31 January 2021

	Notes	Share capital £000	Share premium £000	Other Reserves £000	Merger reserve £000	Revaluation reserve £000	Retained earnings £000	Total equity £000
Balance at 31 January 2019	24,25	2,816	3,020	-	999	213	(4,787)	2,261
Issue of share capital		300	-	-	-	-	-	300
Loss for the year		-	-	-	-	-	(4,266)	(4,266)
Other comprehensive loss						(213)		(213)
Release of reserves		-	-	-	(999)		999	-
Balance at 31 January 2020	24,25	3,116	3,020	-	-	-	(8,054)	(1,918)
Issue of share capital		11	310	-	-	-	-	321
Loss for the year and total comprehensive loss		-	-	-	-	-	(16)	(16)
Equity element relating to the issue of the convertible loan notes	23	-	-	100	-	-	-	100
Transfer relating to share issues	23		(53)				53	-
Balance at 31 January 2021	24,25	3,127	3,277	100	-	-	(8,017)	(1,513)

The notes on pages 44 to 85 form part of these financial statements

Consolidated Cash Flow Statement

for year ended 31 January 2021

	Note	**2021**	2020 as restated
Cash flows from operating activities		**£000**	£000
Profit/(Loss) before tax			
Continuing operations		**134**	(3,674)
Discontinued operations	9	**(150)**	(592)
		37	**(4,266)**
Adjustments for:			
Depreciation and amortisation	13	**13**	347
Impairments of intangibles	13	**-**	784
Impairment of goodwill	15	**-**	751
Impairment of trade and other receivables	16	**474**	308
Financial expenses	7	**26**	4
Fair value adjustments	16	**(147)**	(121)
(Gain)/Loss on disposal of fixed assets		**(5)**	10
(Gain) on disposals of subsidiaries	9	**(2,160)**	-
IFRIC 19 charge	23	**53**	-
Movement in working capital:			
Decrease/(Increase) in trade and other receivables		**189**	(210)
(Decrease)/Increase in trade and other payables		**1,881**	2,355
Cash generated by operations		**308**	**(38)**
Interest paid	7	**-**	(4)
Net cash from operating activities		**308**	**(42)**
Cash flows from investing activities:			
Acquisition of property, plant and equipment	12	**(1)**	(1)
Acquisition of intangible assets	13	**-**	(37)
Net cash on acquisitions		**-**	45
Cash in repayment of debt instrument	16	**25**	**-**
Net cash used in investing activities		**24**	**7**
Cash flows from financing activities:			
Lease payments		**(7)**	
Net cash from loan notes		**221**	-
Net cash from bank loans		**50**	-
Net cash used in financing activities		**264**	**-**
Net (decrease)/increase in cash and cash equivalents		**596**	**(35)**
Cash and cash equivalents at start of period		**336**	371
Cash and cash equivalents at end of period	19	**932**	**336**

There is no material difference between the fair value and the book value of cash and cash equivalents.

The notes on pages 44 to 85 form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Accounting policies

St James House PLC is a public company limited by shares incorporated, domiciled in the United Kingdom and registered in England and Wales under the Companies Act 2006. The registered number is 04458947 and the registered address is Gainsborough House, 59-60 Thames Street, Windsor, Berkshire, SL4 1TX.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its group.

The Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006. The Company has elected to prepare its parent company financial statements in accordance with FRS 102; these are presented on pages 85 to 96.

The financial statements, upon which this financial information is based, have been prepared under the historical cost basis except where specifically noted.

Operating loss is defined to be revenue less cost of sales and administrative expenses and so excludes profits and losses on items that are not considered to be part of ordinary operating activities.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these group financial statements.

Judgements made by the directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 27.

1.1 Change in accounting policy

There have been no changes in accounting policies during the year to 31 January 2021 apart from those due to the adoption of new or amended accounting standards.

1.2 Adopted IFRS not yet applied

The following standards that are not yet effective will be adopted by the Group in future periods:

Amendments to IAS 16 Property, Plant and Equipment *(issued in May 2020)*

The amendments require any proceeds from selling items produced (and related production costs) in the course of bringing an item property, plant and equipment into operation to be recognised in profit or loss clarifying that such items are not reflected in the cost of the asset.

The amendment is effective for financial years beginning on or after 1 January 2022 and is not yet endorsed for use under the Companies Act 2006.

The Group does not expect a material impact on its consolidated financial statements from these amendments.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets *(issued in May 2020)*

The amendments clarify that the cost of fulfilling a contract are costs that relate directly to that contract. Such costs can be the incremental costs of fulfilling that contract or an allocation of other costs directly related to fulfilling that contract.

The amendment is effective for financial years beginning on or after 1 January 2022 and is not yet endorsed for use under the Companies Act 2006.

The Group does not expect a material impact on its consolidated financial statements from these amendments.

Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies *(issued in February 2021)*

The amendments enhance the disclosure requirements relating to an entity's accounting policies and clarify that the notes to a complete set of financial statements are required to include material accounting policy information. Material accounting policy information, when considered with other information included in the financial statements, can reasonably be expected to influence decisions that the primary users of financial statements make on the basis of the financial statements. The amendments help preparers determine what constitutes material accounting policy information and notes that accounting policy information which focuses on how IFRS has been applied to its own circumstances is more useful for users of financial statements than standardised information or information duplicating the requirements of IFRS.

The amendment also states that immaterial accounting policy information need not be disclosed but when it is disclosed it shall not obscure material accounting policy information. Further, if accounting policy information is not deemed material this does not affect the materiality of related disclosure requirements of IFRS.

The disclosure of judgements made in applying accounting policies should reflect those that have had the most significant effect on items recognised in the financial statements.

The amendment is effective for financial years beginning on or after 1 January 2022 and is not yet endorsed for use under the Companies Act 2006.

Amendments to IAS 8 Definition of Accounting Estimates *(issued in February 2021)*

The amendments define accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty. An accounting policy may require an item in financial statements to be measured at a monetary amount that cannot be observed directly so that in order to achieve the objective of an accounting policy, an estimation is required.

The amendments state that the development of an accounting estimate requires the use of judgement or assumptions based on the latest available reliable information and involve the use of measurement techniques and inputs. Accounting estimates might then need to change as a result of new information, new developments or more experience.

A change in input or measurement technique is a change in accounting estimate which is applied prospectively unless the change results from the correction of prior period errors.

The amendment is effective for financial years beginning on or after 1 January 2023 and is not yet endorsed for use under the Companies Act 2006.

Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction *(issued 7 May 2021)*

The amendments specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations.

In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations—transactions for which companies recognise both an asset and a liability.

The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted and is not yet endorsed for use under the Companies Act 2006.

1.3 Going concern

UK Company Law requires Directors to consider whether it is appropriate to prepare the financial statements on the basis that the Company and the Group are going concerns. Furthermore, IAS 1 states that an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. Throughout the financial statements there are various disclosures relating to Group funding and operational risks.

As reported in these financial statements the Group reported an operating loss of £2,097,000 (2020 £3,670,000) and has net liabilities of £1,513,000 (2020: £1,918,000) together with the need to deliver the improved revenue, profit and cash inflows, as detailed below, represents there is a material uncertainty that may cast doubt on the Group's ability to continue as a going concern.

However, as disclosed in the Chairman's Statement and Strategic Report, the business continued to go through a transition period and to manage the risks presented by Covid-19. Since then, the Group has embarked on important and strategic developments of the Group as part of a wholesale transformation program. Early results of that program are already delivering improvements through all aspects of the business, including rationalisation of costs and core activities, a new HR framework and recruitment of the right talent with the right expertise, strengthening of the entire governance framework across the business and a strategic financing and commercial agreement with Tintra Acquisitions which has facilitated their investment of additional funding of working capital of £750,000 since March 2021.

The Directors have prepared cash flow projections for the remaining divisions and Group for the period to 31 July 2022 which indicate that the Group will generate significantly improved revenue, profit and cash inflows in that period. The Directors are also confident that there is sufficient working capital to fund the Group's plans through to the end of financial year 2022 at least, and that further cost efficiencies remain to be realised.

In March 2021 the Group announced a strategic financing and commercial agreement with Tintra Acquisitions Limited "Tintra"). The directors report that this substantial investment by Tintra has progressed well with the aim that the Group will benefit from identified gaps in markets in which the Group operates today or wishes to expand into going forward. Since then, £750,000 of funding as working capital has been injected into the business, the Group has appointed new experienced directors to the Board, including a new Chief Executive Officer, they have presented a strategic business plan for the Group which separates growth activities for core divisions from exit plans of non-core activities, a skills assessment has been carried out leading to a realignment of roles and individual responsibilities, and a program of cost saving opportunities is being deployed.

As noted in the Strategic Report, the Group explored the opportunity that might exist in the legal services sector in the year to 31 January 2021. The Group set up an entirely new entity, SFH, to acquire legal claims cases. In turn, SFH entered into employment contracts with a small number of individuals in Liverpool to manage the acquired cases; post balance sheet, the directors had assessed the likely future profitability of SFH and concluded that business would need a substantial investment to reach critical scale and profitability. As a result, the Board resolved on 13 July 2021 to divest SFH to its management. The staff that were related to SFH have moved with the divested entity which represents a cost saving of more than £100,000 per year to the Group.

The Directors are therefore confident that the Group will be able to generate sufficient resources from its trading to meet the Group's future cash flow requirements and settle its liabilities as they fall due. Therefore, the Directors are of the opinion that the Group has adequate resources to continue in operation for the foreseeable future and they consider it appropriate to adopt the going concern basis in preparing the financial statements.

1.4 Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.5 Foreign currency

The individual financial statements of each Group company are prepared in the currency of the primary economic environment in which it operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position of each Group company are expressed in Pounds Sterling, which is the functional currency of the parent company, and the presentational currency for the consolidated financial statements.

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

1.6 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

At initial recognition, the Group classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. The approach to the companies expected loss model can be found in note 19.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Financial instruments

Investments in debt and equity securities held by the Group are classified as either fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVTOCI) and are stated at fair value. Any resultant gain or loss is recognised in the Statement of Profit and Loss or in other comprehensive income respectively, except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses.

In periods commencing before 1 February 2018, investments in equity securities were classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the revaluation reserve), except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses. When these investments were derecognised, the cumulative gain or loss previously recognised directly in equity was recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from inception. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

1.7 Derivative financial instruments and hedging

At 31 January 2021 and 31 January 2020, the Group had no derivatives in place for cash flow hedging purposes.

1. 8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised accumulated impairment losses. Useful lives and residual values are reviewed annually at least by the Directors.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Office equipment 4 years
- Vehicles 5 years

1.9 Business combinations

All business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired, liabilities and contingent liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Where fair values are estimated on a provisional basis they are finalised within 12 months of the acquisition date with consequent changes to the amount of goodwill.

1.10 Intangible assets and goodwill

Goodwill

Goodwill is initially recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to the cash-generating units that are expected to benefit from the synergies of the acquisitions. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Research and development

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Development activities relate to software development and involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. The expenditure capitalised includes direct labour that is directly attributable to preparing the asset for its intended use. Capitalisation ceases when the development is available for use. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. Capitalised development expenditure is amortised on a straight-line basis over their useful economic lives from the point that the related asset is ready for use. The useful economic lives are assessed annually.

Software

The Timegrand software, purchased in April 2017, is stated at fair value less accumulated impairment losses; during financial year 2020 the value was fully impaired. The useful life is reviewed annually by the Directors during the prior period the directors deemed that an appropriate estimate to be 5 years and as such reduced this from 10 years to 5 years.

The software acquired as part of the transaction to purchase the share capital of Market Access Limited (previously ANother Limited as described) in note 13 was valued by the Directors based on the known costs of development; during the prior year it was fully impaired.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Licences, patents and trademarks 25 years
- Software 3 to 10 years

1.11 Impairment excluding inventories, investment properties and deferred tax assets

Financial assets (including receivables)

In accordance with IFRS 9 impairment of financial assets is based on an expected credit loss ('ECL') model. The ECL model requires the Group to account for ECLs and changes in those ECLs at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected, IFRS 9 also requires current and future events to be considered when making an impairment assessment.

IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime ECLs if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset.

However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. The group has elected to adopt the simplified approach, as allowed by IFRS9, for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of assets, other than goodwill, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.12 Employee benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which the Group receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the Group's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

For shares issued in settlement of fees and/or liabilities, the Directors estimate the fair value of the shares at issue date and that value is charged as an expense in the income statement (for fees) or reduction in the balance sheet liability (for liabilities) with a corresponding increase in equity.

1.13 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.14 Revenue

Lottery administration

Prize Provision Services Limited provides lottery administration services to societies, for example charities, grass roots sports clubs, benevolent funds, schools etc. Draws take place weekly. It costs £1 per entry "line" with the total amount referred to as "Proceeds".

The performance obligation of Prize Provision Services Limited is to place each "line" a player has signed up for into the appropriate lottery draw. The performance obligation is fulfilled each time a customer's "line" appears in a weekly draw, i.e. revenue is recognised only at that point.

Revenue recognised equates to the total Proceeds in the draws undertaken in the year to 31 January 2021.

One off set-up costs on new contracts are recognised over the life of the initial contract.

Payment processing

Payment processing revenue represents the consideration received or receivable from the merchants for services provided. Key revenue streams the Company reports are transaction service charges that relate to services provided to process transactions between the customer and an acquiring bank, which is a bank that accepts card payments from the card-issuing banks. Revenue is recognised when the transactions are successfully processed and is recognised per transaction. Process fees are charged per transaction for providing gateway services.

Payment solutions

Payment solutions revenue is recognised at the point when a chargeable transaction occurs. A handling fee is charged as a percentage of the value of the transaction as contractually agreed with the customer and the revenue is recognised at the point of that transaction. Where a customer has a foreign exchange requirement revenue is recognised when the transaction occurs and is calculated as the net margin between the agreed exchange rate charged to the customer and the exchange rate incurred from any third party provider for undertaking the transaction.

Legal Services

Legal Services revenue is recognised on receipt of funds due from third-party providers in relation to the settlement of an insurance claim made or in regard to costs in relation to that claim. Standard fees are paid by the third-party in advance of any settlement, and this is recognised as revenue in addition to a percentage fee charged on the value of the final settlement itself.

1.15 Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing of the entity containing the liability.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

On the statement of financial position, the right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in lease liabilities.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.16 Expenses

Financing income and expenses

Financing expenses comprise interest payable and finance charges recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy. Financing income comprises interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity’s right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.17 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or equity respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates and laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates and laws enacted or substantively enacted at the balance sheet date that are expected to apply when the temporary differences are reversed.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.18 Government grants

Government grants relate to support received in the form of bounce back loans and furlough claims in relation to members of staff. Income received from the furlough grants is offset against the costs to which they relate.

2 Accounting estimates and judgements

In application of the Group's accounting policies above, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities. These estimates and assumptions are based on historical experience and other factors considered relevant. Actual results may differ from estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period or in the period of the revision and future payments if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Further detail of the key assumptions and sensitivities are included in note 15.

Valuation of investment in equity instrument carried at fair value

Determining fair value requires the entity to estimate the future cash flow expected to arise from the investment and a suitable discount rate in order to calculate present value. Further details of the key assumptions and sensitivities are included in note 16.

Recoverability of receivables

The Directors are confident of the recoverability of receivables, in particular the Phillite D UK Limited trade receivable as some amounts have already been recovered in 2021. In addition, Phillite D UK Limited has claims against other parties for sums in excess of the amounts owed to Group and is confident of their recovery.

3 Segment Analysis

The Group has three business segments, namely that of lottery administration payment processing services, and legal services. The Group operates solely in one geographical area, the United Kingdom.

The analysis of operations per segment for the year ended 31 January 2021 is as follows:

	Lottery Admin	**Payment Processing**	**Legal Services**	**Unallocated**	**Group total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Revenue	701	354	49	-	1,104
Cost of Sales	(446)	(392)	(21)	-	(859)
Administrative expenses	(257)	(442)	(102)	(957)	(1,758)
Depreciation and amortisation	(2)	-		(11)	(13)
Impairment of intangibles	-	-		-	-
Impairment of financial assets	-	(474)		-	(474)
Profit from discontinued operations	-	2,010		-	2,010
Operating profit/(loss)	**(4)**	**1,056**	**(74)**	**(968)**	**10**
Finance income/(costs)	-	-		(26)	(26)
Profit/(Loss) before tax	**(4)**	**1,056**	**(74)**	**(994)**	**(16)**
Tax	-	-		-	-
Profit/(Loss) for the period	**(4)**	**1,056**	**(74)**	**(994)**	**(16)**

Activity for discontinued operations is included within the Payment Processing segment.

The same analysis for the year ended 31 January 2020 was as follows:

	Lottery Admin	**Payment Processing**	**Legal Services**	**Unallocated**	**Group total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Revenue	691	182	-	-	873
Cost of Sales	(449)	(98)	-	-	(547)
Administrative expenses	(238)	(844)	-	(724)	(1,806)
Depreciation and amortisation	(3)	(344)	-	-	(347)
Impairment of intangibles	-	(784)	-		(784)
Impairment of financial assets	-	(846)	-	(213)	(1,059)
Loss from discontinued operations	-	(592)	-	-	(592)
Operating loss	**1**	**(3,326)**	**-**	**(937)**	**(4,262)**
Finance income/(costs)	(2)	-	-	(2)	(4)
Loss before tax	**(1)**	**(3,326)**	**-**	**(939)**	**(4,266)**
Tax	-	-	-	-	-
Loss for the period	**(1)**	**(3,326)**	**-**	**(939)**	**(4,266)**

There has been an increase in unallocated overheads during the year to 31 January 2021 compared to the prior period, as the business grows its infrastructure and back office central support functions to support anticipated growth in future years, combined with one-off increases in legal fees and audit fees.

Further analysis on these segments can be found in the Strategic Report.

The balance sheet analysis as at 31 January 2021 is as follows:

	Lottery Admin £'000	Payment Processing £'000	Legal Services **£'000**	Unallocated £'000	Group total £'000
Total assets	237	1,021	140	1,485	2,883
Additions to non-current assets	-	-	-	-	-
Total liabilities	474	2,475	266	1,181	4,396

The balance sheet analysis as at 31 January 2020 was as follows:

	Lottery Admin £'000	Payment Processing £'000	Legal Services £'000	Unallocated £'000	Group total £'000
Total assets	249	1,336	-	1,224	2,809
Additions to non-current assets	-	-	-	-	-
Total liabilities	440	3,304	-	983	4,727

The following table analyses assets and liabilities not allocated to business segments as at 31 January 2021 and 31 January 2020:

	2021 **£'000**	2020 £'000
Assets		
Intangible fixed assets	**-**	-
Tangible fixed assets	**32**	2
Investment in debt instruments	**1,247**	1,124
Trade receivables	**-**	-
Other receivables	**205**	95
Cash and cash equivalents	**1**	3
	1,485	1,224
Liabilities		
Trade and other payables	**791**	977
Borrowings	**390**	6
	1,181	983

4 Revenue

	2021	2020
	£000	£000
Revenue from continuing activities:		
Lottery admin services	**701**	691
Payment Processing services	**354**	182
Other	**49**	-
	1,104	873
Revenue from discontinued activities:	**-**	116
Total revenues	**1,104**	989

In both the year to 31 January 2021 and the year to 31 January 2020, all revenue was generated in the United Kingdom.

Descriptions of the segments and principal activities can be found in the Strategic Report.

5 Expenses

The following expenses comprise cost of sales:

	2021 **£'000**	2020 £'000
Affiliate/agent commission	**412**	98
Fees to lottery clients	**378**	372
Lottery prizes payable	**69**	77
	859	547

An analysis of administrative expenses by nature is set out below:

	2021	2020
	£000	£000
Payroll related costs	**771**	708
Depreciation and amortisation	**12**	347
Other	**935**	1,098
	1,718	2,153

6 Operating profit

Operating loss has been stated after charging/(crediting) the following:

	2021 £'000	2020 £'000
Gain/(Loss) on exchange rate variance	**9**	(10)
Depreciation of tangible fixed assets	**5**	3
Amortisation of intangible assets	**8**	344
Impairment of intangible assets	**-**	785
Impairment of financial assets	**474**	1,059
Furlough claim	**(49)**	-
Fair value movement on debt instruments	**(147)**	(121)

Auditor fees for the year ending 31 January 2021 are £22,500 for audit services for SJH, the parent company, and £37,500 for all other subsidiaries, and £10,000 for tax related matters (2020: £54,530 for the combined Group and £11,125 respectively.)

7 Finance expenses

	2021	2020
	£000	£000
Finance charges on vehicles		
Convertible loan note interest	**26**	
Finance expenses	**-**	4

8 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	2021	2020
	No.	No.
	23	19
The split of employees by function within the Group is as follows:	**No.**	No.
Administration and Sales	**14**	12
Management	**9**	7
Total	**23**	19
	2021	2020
Their aggregate remuneration comprised:	**£'000**	£'000
Wages and salaries	**499**	401
Pension Costs	**-**	-
Social security costs	**34**	32
	533	433
Directors' fees	**238**	275
	771	708
Directors' emoluments:		
Number of Directors accruing benefits under money purchase schemes	**-**	-
Aggregate emoluments of highest paid Director	**54**	83

Remuneration of key management personnel
The compensation of key management personnel is as follows:

	2021	2020
	£000	£000
Key management remuneration including social security costs	**295**	435

Key management personnel for the year comprised the directors, James Rose and Phil Jackson (2020: directors, James Rose, Catherine McCormick and Phil Jackson).

9 Discontinued operations

Discontinued operation relates to the sale of Market Access Ops Ltd on 28th February 2020:

Results of discontinued operations	**2021**	2020
	£000	£000
Revenue	**-**	116
Cost of sales	**-**	(115)
Gross profit	**-**	**1**
Administrative expenses	**(150)**	(593)
Operating (loss)	**(150)**	**(592)**
Financial expenses	**-**	-
(Loss) before and after tax	**(150)**	**(592)**
Gain on sale of discontinued operations	**2,160**	-
Profit/(loss) for the year	**2,010**	**(592)**
Basic and diluted earnings per ordinary share (pence per share)	**54**	(19)

There were no cash movements in the year as a result of the disposal. There was simply a release of creditors.

10 Taxation

Recognised in the income statement	**2021**	2020
	£000	£000
Current tax expense	**-**	-
Deferred tax credit	**-**	-
Total tax expense	**-**	-

Reconciliation of effective tax rate	**2021**	2020
	£000	£000
Profit/(loss) before tax	**37**	(4,266)
Tax using the UK corporation tax rate of 19% (2020: 19%)	**7**	(810)
Adjusted for the effect of:		
Non-deductible expenses	**67**	402
Non taxable income	**(410)**	-
Deferred tax not recognised	**343**	408
Total tax expense for the year	**-**	-

At the year-end there were £7,217,000 (2020: £5,446,000) of unused tax losses for which no deferred tax asset is recognised.

Factors that may affect future tax charges

A reduction to the UK corporation tax rate down from 19% to 17% was announced in the 2016 Budget and enacted on 15 September 2016 (to be effective from 1 April 2020). However, it was announced in the 2020 Budget (and substantively enacted on 17 March 2020) that this reduction in rate would be reversed with 19% being maintained from 1 April 2020. Furthermore, in the March 2021 Budget, it was announced that the UK corporation tax rate would increase to 25% from 1 April 2023.

11 Earnings per share

The calculation is based on the earnings attributable to ordinary shareholders divided by the weighted average number of Ordinary Shares in issue during the period as follows:

	2021	2020
Numerator: earnings attributable to equity (£'000)	**(16)**	(4,266)
Denominator: weighted average number of equity shares (No.)	**3,752,636 ***	3,090,830 **

* The denominator at 31 January 2020 is calculated as the weighted average of the 3,115,830 equity shares as at 1 February 2020 plus the 1,091,667 shares issued in June 2020.

** The denominator at 31 January 2020 is calculated as the weighted average of the 2,815,830 equity shares as at 1 February 2019 plus the 300,000 shares issued in February 2019.

See note 23 relating to post balance sheet events impacting on the number of shares and potential shares in issue by the Company.

As there was a profit for the year ended 31 January 2020 the diluted earnings per share is the same as the basic earnings per share.

At 31 January 2021 there were a total of 60,000 share options were in issue. As the exercise price for the options was greater than the average share price (assuming a value of 0p for the period of suspension during the year), the options are not dilutive and therefore dilutive earnings per share is the same as basic earnings per share.

12 Property, plant and equipment

	Office equipment	Vehicles*	Total
	£000	**£000**	**£000**
Cost			
Balance at 31 January 2019	8	-	8
Additions	8	-	8
Balance at 31 January 2020	16	-	16
Additions	1	34	35
Disposals	(4)	-	(4)
Balance at 31 January 2021	13	34	47
Depreciation and impairment			
Balance at 1 February 2019	5	-	5
Depreciation charge for the year	3	-	3
Balance at 31 January 2020	8	-	8
Depreciation charge for the year	1	4	5
Balance at 31 January 2021	9	4	13
Net book value			
At 1 February 2019	3	-	3
At 31 January 2020 and 1 February 2020	8	-	8
At 31 January 2021	**4**	**30**	**34**

*****All Vehicles comprise right of use assets.

The depreciation charge for the year is recognised in administrative expenses in the income statement.

13 Intangible assets

	Software	Licences	Total
	£000	£000	£000
Cost			
Balance at 31 January 2019	1,612	440	2,052
Additions – internally generated	37	-	37
Additions – acquired on acquisition (see note 15 below)	115	-	115
Disposals	(10)	-	(10)
Balance at 31 January 2020	1,754	440	2,194
Balance at 31 January 2021	1,754	440	2,194
Amortisation and impairment			
Balance at 1 February 2019	603	440	1,043
Amortisation for the year	344	-	344
Eliminated on disposal	-	-	-
Impairment charge for the year	784	-	784
Balance at 31 January 2020	1,731	440	2,171
Amortisation for the year	8	-	8
Balance at 31 January 2021	1,739	440	2,179
Net book value			
At 1 February 2019	1,009	-	1,009
At 31 January 2020 and 1 February 2020	23	-	23
At 31 January 2021	**15**	**-**	**15**

Impairment loss

During the year to 31 January 2021 an impairment of £nil (2020: £784,000) was recognised relating to software which has not yet been used and may not be used going forward.

Amortisation and impairment charge

The amortisation and impairment charge is recognised in the following line items in the income statement:

		2021	2020
		£000	£000
Administrative expenses		**8**	344
Impairment of intangible assets		**-**	784

14 Investment in equity instruments

	£'000
At 1 February 2019	213
Fair value adjustment	(213)
At 31 January 2020	-
At 31 January 2021	**-**

The investment in equity relates to a 10% investment in Nineteen Twelve Holdings Limited, with an original cost of £342,000 in 2016. Management have elected to designate this as fair value through other comprehensive income ('FVTOCI') as the intention is to hold it for the medium to long term.

Following review of the model in 2020, the condition of the pitches was also reviewed and found to have been in a worse state of disrepair than previously anticipated and as a result of this it has been advised that these will require replacement within the next 2 years. The cost of this replacement exceeds the expected cash inflows in the cashflow model. As a result of this the fair value was reduced to £Nil.

15 Goodwill

	Goodwill
	£000
Balance at 1 February 2019	158
Additions in the year	752
Disposals in the year	(752)
Balance at 31 January 2020	158
Additions in the year	-
Impairment of goodwill	-
Balance at 31 January 2021	**158**

Impairment loss

For the purposes of impairment testing, goodwill acquired in a business combination has been assessed for recoverability on a cash-generating unit (CGU) basis. Goodwill considered significant in comparison to the Group's total carrying amount of such assets has been allocated to cash generating units.

	Goodwill 2021	Goodwill 2020
	£000	£000
Cash generating unit		
Lottery Services	**158**	158
	158	158

Goodwill is being allocated to the Group's subsidiaries (CGUs) as it is expected that those subsidiaries will benefit from the synergies of the combination, irrespective of whether other assets or liabilities are assigned to those units.

The composition of the CGUs has not changed from the previous impairment testing.

The principal assumptions made in 2021 in testing the goodwill for impairment were as follows:

Lottery services
The recoverable amount was calculated based on determining the value in use of this cash generating unit. The following key assumptions were used in this calculation for both the current and prior year.

- Period covered by management plans used in calculation - 5 years
- Revenue during year 1 reflects continuation of growth experienced in the final quarter of 2020 and the full year of 2021 (being a growth rate of 5%), with subsequent annual growth rates of 3%
- Pre-tax discount rate of 6.6% applied to cash flow projections

16 Investments in debt instruments

	Loan notes
	£000
Balance at 1 February 2019	1,003
Movement in fair value	121
Balance at 31 January 2020	1,124
Repayments in the year	(24)
Movement in fair value	147
Balance at 31 January 2021	**1,247**

The loan notes were issued for £2,000,000 during 2019 with 0% interest and have been classified as fair value through profit or loss. The fair value is calculated using expected future cash flows at a discount rate of 12%.

Other material terms of the loan are as follows;

- Term of ten years
- A security by way of a debenture over the issued share capital of Emex Technologies Limited, Emex Consult Limited, Net World Limited and Emex (UK) Group Limited
- Repayment by way of a sinking fund based on any various expected receipts relating to the activities disposed to MDC Nominees Limited ('MDC') – this sinking fund works on the basis that MDC will pay over settlement monies when it receives funds itself.
- In addition to the settlement amount of £2,000,000, the Group will have an ongoing entitlement to 50% of any future net revenues arising from the business sold.

The fair value of the loan has been calculated by modelling the expected cash flows from MDC over a period of 8 years discounted at an appropriate rate reflecting the nature and terms of the loan as described above.

Management's approach to establishing an appropriate discount rate was to review comparators from publicly available financial statements of companies with financial assets that have similar repayment arrangements and by enquiry to brokers, and to adjust that rate to take into account differences in the terms or nature of the comparator to the loan note terms. As alluded to in the Directors' Report, this has been a particularly difficult exercise in terms of finding suitable instrument comparators with similar profiles to borrowers such as MDC and terms similar to the those stated above.

The estimate of the fair value of the loan described above is most sensitive to changes in the discount rate used. A 2% change to the discount rate which would result in a reduction or increase in the fair value of the loan notes as at 31st January 2021 of £82,000 or £90,000 respectively (2020: £93,000 or £103,000 respectively).

17 Investments in subsidiaries

All investments in subsidiaries are held as Ordinary Shares.

Details of the Group's subsidiaries, with a place of incorporation (or registration) and operation in England and Wales, and with a registered office address of NBV Enterprise Centre, David Lane, Office 28, New Basford, Nottinghamshire NG6 0JU as at 31 January 2021 are as follows:

Name of Subsidiary	Company number	Proportion of ownership interest & voting power held	Principal activity
Prize Provision Services Ltd	03152966	100%	Lottery provider
Soccerdome Ltd	02948017	100%	Investment Holding Company
Timegrand Ltd	10539539	100%	Software licence holder
Market Access Ltd	10865185	100%	Payment Processing and Foreign Exchange provider
St Daniel House Ltd	12298455	100%	Payment Processing and Foreign Exchange provider
ANother Ops Ltd	12070514	100%	Dormant
PPS Blockchain Ltd	11869585	100%	Dormant
Boxhill Technologies Ltd	11770425	100%	Dormant

On 22 March 2021, the Group sold Market Access Limited, part of the payment processing division, to MDC Nominees Limited for £1. Further information can be found on page 12 of the Strategic Report under the Restructuring of Payment Division subsection.

Details of the Group's subsidiaries, with a place of incorporation (or registration) and operation in England and Wales, and with a registered office address of 218 Queen's Dock Business Centre, 67-83 Norfolk Street, Liverpool, L1 0BG as at 31 January 2021 are as follows:

Name of Subsidiary	Company number	Proportion of ownership interest & voting power held	Principal activity
St Frances House Ltd	12761856	100%	Legal Services provider

Following the year end St Frances House Ltd was disposed of from the Group. Further information can be found on page 11 and 13 of the Strategic Report under the St Frances House and Divestment of the St Frances House legal Services Division subsections.

Details of the Group's subsidiaries, with a place of incorporation (or registration) and operation in England and Wales, and with a registered office address of 1st Floor, 30-35 Pall Mall, London SW1Y 5LP as at 31 January 2021 are as follows:

Name of Subsidiary	Company number	Proportion of ownership interest & voting power held	Principal activity
Tangramme Ltd	12256507	100%	Dormant

Details of the Group's subsidiaries, with a place of incorporation (or registration) and operation in Mauritius, and with a registered office address of Co. Premier Financial Services Ltd, Premier Business Centre, 10th Floor, Sterling Tower, 14 Poudriere Street, Port Louis, Mauritius as at 31 January 2021 are as follows:

Name of Subsidiary	Company number	Proportion of ownership interest & voting power held	Principal activity
Oyster Pay Solutions Ltd	C157638	100%	GBC licence holder

Oyster Pay Solutions Limited holds a Global Business Corporation (GBC) licence with the Mauritius Financial Services Commission (the "FSC"). Prior to the 01 January 2019, this licence type was known as a GBC1 licence type.

A GBC Licence is governed by the Mauritius Companies Act 2001 and the Financial Services Act 2007. A GBC Licence entitles the holder to carry out approved activities in Mauritius.

18 Trade and other receivables

	2021	2020
	£000	£000
Trade receivables	**140**	921
Other receivables	**114**	29
Prepayments and accrued income	**180**	133
VAT receivable	**63**	77
Total	**497**	1,160

Included in trade receivables is £130,600 (2020: £840,000), receivable from Phillite D UK Limited ('PDUKL' Recoverability of the receivable is partly dependant on the successful litigation in which PDUKL is involved.

The directors sought an opinion about the probable outcome of the litigation from their lawyers who are acting for them on the case.

Phillite D UK Limited	**2021**	2020
	£000	£000
Balance b/f	**840**	1,241
Additions	**31**	59
Repayments	**(347)**	(152)
Impairments	**(393)**	(308)
Balance c/f	**131**	840

The litigation has progressed considerably since the last financial statements were approved, and management understand that MDC issued proceedings for an amount significantly in excess of the amounts due from Phillite D Limited and remain confident that the amount included as part of trade receivables would be recoverable. The estimate of the amount recoverable is mostly sensitive to the probability of successful outcome of PDUKL's litigation. The directors have used a 20% probability of successful outcome to calculate a weighted average expected credit loss based on the view from the in-house legal advisors. This resulted in a provision of £393,000 (2020: £309,000) which has been included in the financial statements.

The value of the receivable from Phillite D is most sensitive to the recovery of the underlying claim. A variation of 5% in the value of the claim on a settlement gives rise to a difference in the expected credit loss of £170,000.

The Group has provided fully for all other receivables which are not considered recoverable. In determining the recoverability of all receivables, the Group considers any change in the credit quality of the receivable up to the reporting date. During the year a provision of £81,000 (2020: £Nil) was recognised on trade debtors where the recoverability was in doubt.

The Directors consider that the carrying amount of the receivables approximates their fair value.

19 Cash and cash equivalents/ bank overdrafts

	2021	2020
	£000	£000
Cash and cash equivalents per balance sheet	932	336

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of 3 months or less from inception. The carrying amount of these assets approximates their fair value.

Within the cash balance is an amount of £138,000 held in designated trust accounts for the benefit of clients of Prize Provision Services Limited (2020: £157,000).

20 Trade and other payables

	2021	2020
	£000	£000
Current		
Trade payables	**651**	1,146
Social security and other taxes	**161**	142
Amounts owing to customers	**1,950**	2,572
Accrued liabilities and deferred income	**373**	239
Other payables	**561**	312
	3,696	4,411
Non-current		
Other payables	**310**	310

Included in payables is £1,950,000 (2020: £2,572,000 of amounts held on customers' behalf through the payment processing services carried out by St Daniel House Limited and Market Access Limited.

The Group does not hold funds processed by credit cards for merchants; this is all carried out by the acquiring bank and those segregated funds are outside of the Group's own bank accounts and are therefore not recorded in the Group's financial statements. The Group then requires that each merchant deposit its revenue from credit card payments into a Market Access account, out of which the Group collects its revenue. The merchant can then withdraw funds to its chosen bank account when it wishes to do so. A liability is recognised in within Trade and Other Payables as Amounts owed to customers for the amount of such funds deposited by customers, and the balance of such funds held in the Group's bank accounts at the reporting date is included within Cash and cash equivalents.

Accrued liabilities and deferred income represent miscellaneous contractual liabilities that relate to expenses that were incurred, but not paid for at the period end and income received during the period, for which the Group had not supplied the goods or services at the end of the period.

The Directors consider that the book value of trade payables, accrued liabilities and deferred income approximates to their fair value at the balance sheet date.

The average credit period taken for trade purchases is 85 days (2020: 99 days).

21 Bank and other borrowings

	2021	2020
	£000	£000
Current		
Coronavirus Bounce Back Loan	**7**	-
Other borrowings	**-**	6
	7	6
Non-current		
Coronavirus Bounce Back Loan	**43**	-
Convertible loan notes	**340**	-
	383	-

Further details on convertible loan notes issued in the year can be found in note 23.

22 Deferred taxation

A deferred tax asset has not been recognised in the year ended 31 January 2021 nor the year ending 31 January 2020 in respect of taxable losses carried forward as the probability of future taxable profits being available against which the unused tax losses and unused tax credits cannot be determined with sufficient certainty.

As at 31 January 2021, there were £7,217,000 of unused tax losses (2020: £5,446,000 of which £nil was utilised in the year to 31 January 2021.

There are not considered to be any material temporary differences associated with investments in subsidiaries for which deferred tax liabilities need to be recognised.

23 Equity Share capital

	2021	2020		**2021**	2020
	Shares	Shares		**£**	£
Ordinary shares of 1p each (2019: 0.1p each)	**4,207,497**	3,115,830		**42**	31
Deferred shares of 0.99p each	**3,115,830,000**	3,115,830,000		**3,085**	3,085
	3,120,037,497	3,118,945,830		**3,127**	3,116

Movements in shares:	**Ordinary shares**	**Deferred shares**	**Total**	**Par value**
				£
Balance at 31 January 2019	**2,815,829,770**	**-**	**2,815,829,770**	**2,816**
Share issues	**300,000,230**	**-**	**300,000,230**	**300**
Share sub-division	**(3,112,714,170)**	**3,115,830,000**	**3,115,830**	**-**
Balance at 31 January 2020	**3,115,830**	**3,115,830,000**	**3,118,945,830**	**3,116**
Share issues	**1,091,667**	**-**	**1,091,667**	**11**
Balance at 31 January 2021	**4,207,497**	**3,115,830,000**	**3,120,037,497**	**3,127**

Ordinary shares carry one vote per share, have the right to participate in dividend distributions, have the right to participate in capital distributions on winding up and are non-redeemable.

Deferred shares carry no voting rights, have no rights to participate in dividend distributions, have the right to participate in capital distributions on winding up to a maximum of £1,000,000 paid in respect of each ordinary share and are non-redeemable.

Capitalisation of Liabilities and Subscription

On 6 July 2020 new shares totalling 791,667 Ordinary Shares (described as the 366,667 Capitalisation Shares and 425,000 Fee Shares were issued in settlement of certain liabilities totalling £237,500, based on an issue price of 30 pence per Ordinary Share (the "Capitalisation") on 6 July 2020, further details included in note 28 (related party).

The Fee Shares were issued in settlement of amounts owed totalling £127,500, further details included in note 28 (related party).

Additionally on 6 July 2020 new shares totalling 300,000 Ordinary Shares were issued in settlement of liabilities totalling £30,000. This was accounted for in accordance with IFRIC 19. A loss of £53,000 has been recorded on the extinguishment of the liabilities and a subsequent adjustment posted between share premium and reserves.

Entry into a Convertible Loan Agreement

On 6 July 2020 the Company entered into an unsecured convertible loan note agreement, for a total amount of £415,000 with a small number of investors, some of whom are existing shareholders, which have the following key terms (the "Convertible Loan Notes"). The terms of these notes are summarised below:

- Issued in multiples of £1.00;
- A maturity date of 6 July 2023;

- Convertible into the ordinary shares of 1 pence each in the capital of SJH ("Ordinary Shares") at a price of 10 pence per Ordinary Share at any date up to 6 July 2023;
- Pay a coupon of 5 per cent per annum, which shall accrue until conversion or redemption, and on conversion, may be converted into Ordinary Shares on the same terms as set out above;
- Are unsecured; and
- Are not transferrable except in limited circumstances.

On inception the fair value of the options to convert was recognised in other equity. The liability is recognised in bank and other borrowings.

Post balance sheet events

On 25 March 2021 the Group entered into a strategic financing and commercial agreement with Tintra Acquisitions Limited ("Tintra"), a special purpose vehicle formed for this purpose (the "Agreement"). As part of the Agreement, Tintra have been working closely with the SJH team on a revised business strategy, which will be outlined to shareholders ahead of the Company's annual general meeting on 30 July 2021. This has identified an additional working capital requirement during the current financial year, and the Board believes an increase in the Loan Facility is the most appropriate method for fulfilling this additional working capital requirement taking into account the Company's financial position and market conditions. In combination with the disposal of the Group's legal services business and headcount reduction announced on 13 July 2021, the Board believes its working capital levels for the current financial year are now appropriate:

Financing

Tintra has agreed to provide a loan facility to SJH with the following terms (the "Loan Facility"):

- Amount - £750,000 (increased from £250,000);
- Interest rate - 1% per annum above the Bank of England Base Rate, calculated at the end of each year on the daily balance;
- Security – Unsecured;
- Term - 2 years from 25 March 2021;
- Drawdown - At call; and
- Repayment - Bullet repayment at the end of 2 years, or at Tintra's discretion, through the issue of Convertible Loan Notes (the terms of which are set out below) at par by SJH for any outstanding balance (capital or interest), up to a maximum of £750,000 (increased from £250,000). Such issues of Convertible Loan Notes to be made quarterly and for a minimum of £10,000.

The Convertible Loan Notes have materially the same terms as those announced by the Company on 30 June 2020:

- Issued in multiples of £1.00;
- A maturity date of 3 years from issue;
- Convertible into the ordinary shares of 1 pence each in the capital of SJH ("Ordinary Shares") at a price of 10 pence per Ordinary Share at any date until maturity;
- Pay a coupon of 5 per cent per annum, which shall accrue until conversion or redemption, and on conversion, may be converted into Ordinary Shares on the same terms as set out above;
- Are unsecured; and
- Are not transferrable except in limited circumstances.

In consideration for entering into the Agreement, Tintra were issued two options to acquire Ordinary Shares:

- Option 1 - an option over 462,311 Ordinary Shares (equivalent to 9.9% of the issued Ordinary Shares as enlarged by the exercise of Option 1) exercisable at a value of 10 pence per Ordinary Share, for a total value of £46,231.10, to be settled by invoiced Management Services of the same amount. Option 1 may be exercised by 25 March 2022.
- Option 2 - an option over 1,332,328 Ordinary Shares (equivalent to 20.0% of the issued Ordinary Shares as enlarged by the exercise of Option 1 and Option 2) exercisable at a value of 10 pence per Ordinary Share, for a total value of £133,232.80, to be settled by invoiced Management Services of the same amount. Option 2 may be exercised by 25 March 2023, but not until 30 days after the exercise of Option 1.

On 20 April 2021 Tintra Acquisitions Limited ("Tintra") exercised its option to acquire 462,311 ordinary shares of 1 pence each ("Ordinary Shares") at a price of 10 pence per Ordinary Share, for a total value of £46,231.10, in settlement of invoiced Management Services of the same amount.

24 Capital and reserves

Nature and purpose of reserves

Share premium

The share premium reserve represents amounts paid for shares in excess of the par value.

Merger reserve

The merger reserve arose in a prior accounting period as a result of the share exchange with Timegrand Limited. This has been eliminated in the year following the impairment of the related intangible in the year.

Revaluation reserve

The revaluation reserve relates to the revaluation of investments in equity instruments.

Other reserve

The Other reserve relates to the amount apportioned to equity for the convertible loan notes.

Dividends

No dividends were recognised in either the period to 31 January 2020 or to 31 January 2019.

25 Share-based payments

At the year-end 20,000,000 share options were outstanding. No share options were granted or exercised during the year.

During the year the Company issued shares to some of its creditors as payment for unpaid liabilities, further details can be found in note 23.

26 Financial instruments

The key risks and uncertainties faced by the Group are managed within a risk management framework. The Group's day to day working capital is funded by its cash and cash equivalents. The key risks identified for the Group are discussed below.

The Company has exposure to credit risk, market risk and liquidity risk that arises through the normal course of the Group's business.

26 (a) Fair values of financial instruments

The Directors consider that there is no material difference between the asset and liability values in the balance sheet and their fair value. Financial assets and liabilities are classified into a grouping of Tiers 1 to 3 is based on the degree to which their fair value is observable:

- Tier 1 fair value measurements are those based upon quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Tier 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Tier 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The assets and liabilities held in each tier are as follows;

- Tier 1 – None
- Tier 2 – Investments in debt instruments (see note 16)
- Tier 3 – Investments in equity instruments. See notes.

The fair value of items held in each tier are:

	Tier 1	**Tier 2**	**Tier 3**
	£000	£000	£000
Balance at 1 February 2019	-	1,003	213
Movement in the year	-	121	(213)
Balance at 31 January 2020	-	1,124	-
Movement in the year	-	123	-
Balance at 31 January 2021	-	1,247	-

26 (b) Credit risk

Financial risk management
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Exposure to credit risk
The maximum exposure to credit risk at the balance sheet date by class of financial instrument was:

	2021	2020
	£000	£000
Trade receivables	**140**	921
Other receivables	**114**	29
	254	950

As at 31 January 2021, all trade receivables were generated from within the UK.

Credit quality of financial assets and impairment losses

The aging of trade receivables at the balance sheet date was:	**2021**	2020
	£000	£000
Not past due	**-**	-
Past due [0-30 days]	**-**	-
Past due [31-120 days]	**-**	-
More than 120 days	**140**	921
	140	921

All of the £130,600 that was in excess of 30 days past due as at 31 January 2021 was due from a related party (Phillite D UK Limited, "PDUKL").

The boards assessment of the recoverability of the amounts owing from PDUKL is based on the expected successful outcome of PDUKL's current litigation. The expectation is that the settlement will be received within the next 24 months and that this will be substantially higher than the amounts due to the Group. Please see note 18 for further details.

At 31 January 2021 there were £nil trade receivables that were impaired (2020: £nil).

26 (c) Liquidity risk

Financial risk management
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As at 31 January 2021, the Group held £390,000 in loans (2020: £6,100). In addition, as at 31 January 2021, the Group had Trade and other payables of £4,006,000(2020: £4,721,000).

The ageing of trade and other payables at the balance sheet date was:	**2021**	2020
	£000	£000
Due	**2,400**	1,506
Due 60-90 days	**30**	15
Due 90-120 days	**85**	48
Due 120+ days	**1,881**	3,158
	4,396	4,727

The Directors consider that there is no material difference between the value in the balance sheet and its fair value.

26 (d) Market risk

Financial risk management
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The Group's exposure to interest rate risk mainly concerns financial assets and liabilities, which are subject to floating rates in the Group. At present the Group's loans are on fixed rate interest rates and hence it is not exposed to risk on these should rates move.

The Finance Director is responsible for managing cash flow management, interest and foreign exchange exposure to ensure adequate liquidity at all times to meet cash requirements.

Market risk - Foreign currency risk

The Group's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments.

31 January 2021	**Sterling**	**Euro**	**US Dollar**	**Other**	**Total**
	£000	£000	£000	£000	£000
Cash and cash equivalents	754	168	10	-	932
Trade and other receivables	497	-	-	-	497
Bank and other borrowings	(390)	-	-	-	(390)
Trade and other payables	(3,299)	(697)	(10)	-	(4,006)
Net exposure	**(2,438)**	**(529)**	**-**	**-**	**(2,967)**

The same analysis for the year to 31 January 2020 was as follows:

31 January 2020	**Sterling**	**Euro**	**US Dollar**	**Other**	**Total**
	£000	£000	£000	£000	£000
Cash and cash equivalents	193	142	1	-	336
Trade and other receivables	1,160	-	-	-	1,160
Bank and other borrowings	(6)	-	-	-	(6)
Trade and other payables	(3,244)	(1,240)	(156)	(81)	(4,721)
Net exposure	**(1,587)**	**(1,098)**	**(155)**	**(81)**	**(2,921)**

Sensitivity analysis

A 1% percent weakening of the following currencies against the pound sterling at 31 January 2021 would have reduced loss before tax by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for the year ended 31 January 2020.

Equity	**2021**	2020
	£000	£000
€	**5**	10
$	**-**	2
other	**-**	1

A 1% percent strengthening of the above currencies against the pound sterling at 31 January 2020 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Market risk – Interest rate risk

During both the year to 31 January 2021 and the year to 31 January 2020, the Company's surplus funds were placed in deposits at floating rates. At present the Group's loans are on fixed rate interest rates and hence it is not exposed to risk on these should rates move.

Market risk - Equity price risk

The Group does not currently have any exposure to equity price risk. As at 31 January 2021, the Group did not have any investments in quoted equity securities.

25 (e) Capital management

The objective of the Company's capital management is to ensure that there is sufficient liquidity within the Group to carry out the committed and forecast investment and expenditure. The Company monitors the long-term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 23, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity. The Board manages the structure of its capital and makes necessary adjustments to accommodate the changes in the economic conditions. To maintain or adjust the capital structure, the Board may issue new shares for cash. No significant changes were made in the objectives, policies or processes during the period ended 31 January 2021.

27 Leases

Information on the Group's leases is presented below.

Currently the group has two lease vehicles:

Right of use asset

The right of use asset is included in property, plant and equipment. Details of movements, depreciation charged, and net book values can be found in note 12 under vehicles.

Lease Liabilities

Maturity analysis – contractual undiscounted cashflows	**2021**	2020
	£000	£000
Less than one year	**12**	-
One to five years	**13**	-
Over-five years	**-**	-
	25	-

Lease Liabilities included in the statement of financial position	**2021**	2020
	£000	£000
Current	**25**	-
Non-current	**-**	-
	25	-

The impact on the profit and loss from lease comprises depreciation charged in the year as disclosed in note 12, and the interest recognised on lease liabilities disclosed in note 7.

The total cashflows resulting from leases is shown in the statement of Cashflows on page 41.

Included in the income statement is a charge of £100,000 (2020: £140,000) relating to short term leases that have not been capitalised.

28 Related parties

The transactions set out below took place between the Group and certain related parties.

Share issues

Since 1 February 2019, a number of shares have been purchased by Persons Discharging Managerial Responsibility ("PDMR") under the Market Abuse Regulations.

On 14 February 2019 (admitted to trade on AIM with effect from 21 February 2019) new shares totalling 200,000,000 Ordinary Shares of 0.1p each were issued (the "Fee Shares"). During 2020, Fee Shares were issued in settlement of amounts owed totalling £220,050, consisting of the following elements:

Person	Fee Shares issued	In settlement of
Arno Rudolf	16,667 Ordinary Shares at 30 pence per share	£5,000 of Director fees
Roger Matthews	41,667 Ordinary Shares at 30 pence per share	£12,500 of Director fees
Graeme Paton	16,667 Ordinary Shares at 30 pence per share	£5,000 of Director fees
John Botros (issued to First Hartford Trust)	210,000 Ordinary Shares at 30 pence per share	£63,000 of invoices for consultancy fees in respect of contracted services provided by John Botros, a subsidiary director of the Group
Philip Jackson (issued to Moorhen)	210,000 Ordinary Shares at 30 pence per share	£63,000 of invoices for consultancy fees in respect of contracted services provided by Philip Jackson member of the operations committee
Andrew Flitcroft	50,167 Ordinary Shares at 30 pence per share	£15,050 in respect of outstanding director and secretarial fees
Jacques Leuba	13,333 Ordinary Shares at 30 pence per share	£4,000 in respect of outstanding director fees
Lord E.T. Razzall	50,000 Ordinary Shares at 30 pence per share	£15,000 in respect of outstanding director fees
Tilly Beazeley	33,333 Ordinary Shares at 30 pence per share	£10,000 of invoices for consultancy fees in respect of contracted services provided by Tilly Beazeley a person closely associated with Philip Jackson and a member of the operations committee
Dan Pym	15,000 Ordinary Shares at 30 pence per share	£4,500 of invoices for consultancy fees in respect of contracted services provided by Dan Pym, a director of the Group
Dan Pym	76,666 Ordinary Shares at 30 pence per share	£23,000 of invoices for consultancy fees from PEP Contracting Limited, a company controlled by Dan Pym, a director of the Group

On 30 June 2020 the company announced that in order to replace the proposed investment from AIS that it had entered into an agreement with a number of individuals including existing shareholders entering into an unsecured convertible loan note for a total amount of £415,000 to improve the working capital position of the Company.

Included within the subscriptions for the Convertible Loan notes are the following related party and Persons Discharging Managerial Responsibilities:

1. £115,000 by Philip Jackson a member of the operations committee
2. £75,000 by First Hartford Trust, a family trust of Mr John Botros, a subsidiary director
3. £20,000 by Daniel Pym, finance director
4. £20,000 by James Rose, a subsidiary director

5. £10,000 by Tilly Beazeley a person closely associated with Philip Jackson, member of the operations committee
6. £5,000 by Roger Matthews, the Chairman
7. £5,000 by Arno Rudolf, a Non-Executive Director
8. £5,000 by Lord E.T. Razzall, who was Chairman until 31 July 2019.

Directors' fees and consultancy services

Lord E T Razzall
Lord E T Razzall, a director, charged the Group £22,000 (2020: £43,755) in the period, for directorship services provided, via an entity trading as R T Associates. At the year end R T Associates was owed £21,200 (2020: £27,600).

Andrew J A Flitcroft
Andrew Flitcroft charged the Group £20,000 (2020: £27,000) in year to 31 January 2021 for company secretarial services provided, via FS Business Limited. At the year end FS Business Limited was owed £33,400 (2020: £75,950).

Arno Rudolf
Arno Rudolf, a director, charged the Group £ (2020: £20,000) in the period, for directorship services. At the year end, Mr Rudolf was owed £30,000 (2020: £26,667). During the prior year Arno Rudolf was issued 20,000,000 share options exercisable immediately with an exercise price of 0.1p. The options have a life of 5 years and none of these had been exercised at the year end.

Kathy Cox
Kathy Cox, a director, charged the Group £20,000 (2020: £12,359) in the period, for directorship services. At the year end, Kathy Cox was owed £31,830 (2020: £14,830).

Jacques Leuba
Jacques Leuba, a director, charged the Group £12,000 (2020: £12,667) in the period, for directorship services. At the year end, Mr Leuba was owed £16,667 (2020: £12,667).

Roger Matthews
Roger Matthews, a director, charged the Group £24,000 (2020: £17,261) in the period, for directorship services. At the year end, Mr Matthews was owed £25,761 (2020: £17,261).

John M Botros
John M Botros is a director of Prize Provision Services Limited, Timegrand Limited, Soccerdome Limited and Barrington Lewis Limited and Company Secretary of Prize Provision Services Limited. He was also director of Market Access Limited until April 2018 and was director of the Emex companies for the entire period to their disposal from the Group in the prior year.

During the year John Botros charged the Group £51,000 (2020: £101,000) for services provided via two entities Bluedale Corporate Limited ("BCL") and St James Chambers. £3,100 (2020: £3,447) was also charged for expenses incurred on the Group's behalf. At the year end BCL was owed £nil (2020: £75,528) and St James Chambers was owed £nil (2020: £nil).

James Rose
James Rose is a director of Prize Provision Services Limited ('PPSL'). During the period James Rose charged PPSL £60,660 (2020: £60,000) for consultancy services via Nineteen Twelve Management Limited. At the year end Nineteen Twelve Management Limited was owed £64,537 (2020: £79,167).

Other transactions and balances

Phillite D UK Limited
Included in trade debtors is an amount of £130,600 (2020: £840,000) due from Phillite D UK Limited ("PDUKL"), a company in which John Botros is a director. See note 18 for further details on the recoverability of the amount owed.

MDC Nominees Limited

On 28 February 2020 the group disposed of Market Access Ops Limited to MDC Nominees Limited, a company controlled by J M Botros for a consideration of £1.

28 Controlling party
No single individual has sole control of the Group.

Company balance sheet

At 31 January 2021

	Note	**2021**	2020
		£000	£000
Non-current assets			
Property, plant and equipment	4	**2**	2
Intangibles	5	**6**	13
Investments	6	**94**	94
Interest in debt instruments	7	**1,247**	1,124
Total non-current assets		**1,349**	1,233
Current assets			
Trade and other debtors	8	**413**	1,140
Cash and cash equivalents	9	**1**	3
Total current assets		**414**	1,143
Total assets		**1,763**	**2,376**
Current liabilities			
Trade and other payables	10	**1,330**	2,446
Bank and other borrowings	11	**7**	-
Total current liabilities		**1,337**	2,446
Current liabilities			
Bank and other borrowings	11	**383**	**-**
Total liabilities		**1,720**	2,446
Net (liabilities)/assets		**(43)**	(70)
Capital and reserves			
Share capital	12	**3,127**	3,116
Share premium	12	**3,277**	3,020
Other reserve		**100**	-
Retained earnings		**(6,461)**	(6,206)
Equity shareholders' funds		**(43)**	(70)

As permitted by Section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The loss for the period after taxation was £255,000 (2020: £2,396,000).

These financial statements were approved by the Board of Directors and authorised for issue on 26 July 2021 and were signed on its behalf by:

Daniel Pym
Director
Company registered number: 04458947

Company statement of changes in equity

for year ended 31 January 2021

	Share capital	Share premium	Other Reserve	Revaluation Reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 31 January 2019	2,816	3,020	-	213	(4,023)	2,026
Shares issued	300	-	-	-	-	300
Loss for the year and total comprehensive income	-	-	-	-	(2,396)	(2,396)
Release of reserves	-	-	-	(213)	213	-
Balance at 31 January 2020	3,116	3,020	-	-	(6,206)	(70)
Shares issued	11	257	-	-	-	268
Loss for the year and total comprehensive income	-	-	-	-	(255)	(255)
Equity element relating to the convertible loans issued	-	-	100	-	-	100
Balance at 31 January 2021	**3,127**	**3,277**	**100**	**-**	**(6,461)**	**(43)**

The accompanying notes in pages 87 to 96 form an integral part of these financial statements

1 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling which is the functional currency of the Group. All amounts in the financial statements have been rounded to the nearest £1,000.

In these financial statements, the Group is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of the Group include the equivalent disclosures, the Group has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments;* and,
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non- monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pensions

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Group operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment - Over 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of income and retained earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group's financial risk management policies are disclosed in the consolidated financial statements.

The accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Government grants

Government grants relate to support received in the form of bounce back loans and furlough claims in relation to members of staff. Income received from the furlough grants is shown separately as other income in the Statement of Profit or Loss.

3 Wages and salaries

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	2021	2020
	No.	No.
	11	10
The split of employees by function within the Group is as follows:	**No.**	No.
Administration and Sales	**2**	3
Management	**9**	7
Total	**11**	10
	2021	2020
Their aggregate remuneration comprised:	**£'000**	£'000
Wages and salaries	**111**	189
Pension Costs		
Social security costs	**11**	32
	122	221
Directors' fees	**178**	337
	260	369
Directors' emoluments:		
Number of Directors accruing benefits under money purchase schemes	**-**	-
Aggregate emoluments of highest paid Director	**54**	83

Remuneration of key management personnel
The compensation of key management personnel is as follows:

	2021	2020
	£000	£000
Key management remuneration including social security costs	**235**	375

Key management personnel for the year comprised the directors, James Rose and Phil Jackson (2020: directors, James Rose, Catherine McCormick and Phil Jackson).

4 Property, plant and equipment

	Office equipment	Total
	£000	£000
Cost		
Balance at 31 January 2019	7	7
Additions	1	1
Balance at 31 January 2020	8	8
Additions		-
Balance at 31 January 2021	8	8
Depreciation and impairment		
Balance at 31 January 2019	5	5
Depreciation charge for the year	1	1
Balance at 31 January 2020	6	6
Depreciation charge for the year	-	-
Balance at 31 January 2021	6	6
Net book value		
At 1 February 2019	2	2
At 31 January 2020 and 1 February 2020	2	2
At 31 January 2021	**2**	**2**

Depreciation and impairment losses

During the year to 31 January 2021, there were no impairment losses.

The depreciation charge for the year is recognised in administrative expenses in the income statement.

5 Intangible assets

	Software	Licences, patents and trademarks	Total
	£000	£000	£000
Cost			
Balance at 31 January 2019	90	440	530
Additions	36	-	36
Disposal	(6)	-	(6)
Balance at 31 January 2020	120	440	560
Additions	-	-	-
Disposal	-	-	-
Balance at 31 January 2021	120	440	560
Amortisation and impairment			
Balance at 1 February 2019	-	440	440
Impairment charge for the year	107	-	107
Balance at 31 January 2020	107	440	547
Amortisation charge for the year	7		7
Balance at 31 January 2021	114	440	554
Net book value			
At 1 February 2019	90	-	90
At 31 January 2020 and 1 February 2020	**13**	**-**	**13**
At 31 January 2021	**6**	**-**	**6**

Amortisation and Impairment
During the year to 31 January 2021 an impairment of £nil (2020: £nil) was recognised relating to a licence which has not yet been used and may not be used going forward.

During the year to 31 January 2021 an impairment charge of £nil (2020: £108,000) was recognised relating to software which was not likely to generate any further cashflows going forward.

The impairment charge for the year is recognised as a separate item in the income statement.

6 Fixed asset investments

The Group's investments, of any significant value, are invested in subsidiaries of £94,000 (2020: £234,000).

Subsidiary	**Investment held** 2021 £'000	**Investment held** 2020 £'000
Prize Provision Services Limited	14	14
Soccerdome Limited	-	-
Oyster Pay Solutions Limited (Mauritius)	80	80
Timegrand Limited	-	-
Market Access Ops Ltd (previously Market Access Limited)	-	-
Market Access Limited (previously ANother Limited)	-	-
	94	94

As part of the annual impairment review of the Group's investment in Soccerdome (which has a 10% investment in Nineteen Twelve Holdings Limited as disclosed in note 13 to the Group financial statements), an impairment to the value of the Group's investment in Soccerdome Limited of £213,000 has been made in the year to 31 January 2020. Details of the assumptions for valuing Soccerdome Limited are included in note 13 of the Group financial statements.

See details of the acquisition of Market Access Limited in note 20 of the group consolidated financial statements.

Details of the Group's subsidiaries at 31 January 2021 can be found in note 17 of the consolidated financial statements.

7 Investments in debt instruments

Details on investments in debt instruments can be found in note 16 of the group consolidated financial statements.

8 Trade and other debtors

	2021	2020
	£000	£000
Amounts due from subsidiary undertaking	**182**	152
Trade receivables	**131**	840
Other receivables	**58**	101
Prepayments	**42**	47
Total	**413**	1,140

Included within trade and other receivables is £nil (2020: £nil) expected to be recovered in more than 12 months.

9 Cash and cash equivalents/ bank overdrafts

	2021	2020
	£000	£000
Cash at bank and in hand	**1**	3
Cash and cash equivalents	**1**	3

10 Trade and other payables

	2021	2020
	£000	£000
Amounts due to subsidiary undertakings	**565**	1,468
Trade payables	**477**	785
Other payables	**51**	64
Accrued liabilities and deferred income	**237**	129
	1,330	2,446

Included within trade and other payables £nil (2020: £nil) expected to be settled in more than 12 months.

Accrued liabilities and deferred income represents miscellaneous contractual liabilities that relate to expenses that were incurred, but not paid for at the period end and income received during the period, for which the Group had not supplied the goods or services at the end of the period.

The Directors consider that the book value of trade payables, accrued liabilities and deferred income approximates to their fair value at the balance sheet date.

11 Bank and other borrowings

	2021	2020
	£000	£000
Current		
Bounce back loan	**7**	-
Non-current		
Bounce back loan	**43**	-
Convertible loan notes	**340**	-
	383	-

12 Capital and reserves

The movements on share capital are disclosed in note 23 of the consolidated financial statements.

13 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2021	2020
	£000	£000
Less than one year	**76**	120
Between one and five years	**23**	-
More than five years	**-**	-
	99	120

Operating lease payments represent rentals payable by the Group for office premises.

During the year to 31 January 2021 £104,000 was recognised as an expense in the income statement in respect of operating leases (2020: £140,000).

14 Commitments

Capital commitments

The Group had £nil contractual commitments to purchase tangible fixed assets as at 31 January 2021 (2020: £nil).

15 Related party disclosures

Identity of related parties with which the Company has transacted
The transactions set out below took place between the Group and its subsidiaries.

	2021	2020
Management charge to	**£000**	£000
Market Access Limited	**18**	27
St Daniel House Limited	**9**	-
Prize Provision Services Limited	**42**	42
Balance included in debtors		
Barrington Lewis Limited	**-**	3
Prize Provision Services Limited	**182**	128
St Daniel House Limited	**-**	21
	182	152
Balance included in creditors:		
Market Access Ops Limited	**-**	1,129
Soccerdome Limited	**18**	17
Oyster Pay Solutions Limited (Mauritius)	**43**	59
Market Access Limited	**9**	263
St Frances House Limited	**52**	
St Daniel House Limited	**442**	-
	564	1,468

All transactions were undertaken on an arm's length basis.

Transactions with key management personnel

Total compensation of key management personnel (including the directors) is covered in note 8 of the consolidated financial statements.

The full list of related party transactions entered into by the Group is disclosed in note 28 of the consolidated financial statements.

As disclosed in note 18 in the consolidated financial statements, Phillite D UK owes Group £130,600 all of which is reflected as a receivable in the parent company accounts.

16 Subsequent events

All post balance sheet significant events are disclosed in note 28 (Related Parties) of the consolidated financial statements and in the Chief Executive Officer Report and the Finance Director Report of the Strategic Report.

17 Controlling party

No single individual has sole control of the Company.